

Your guide to administering group and voluntary insurance benefits from USABLE Life

Welcome to USABLE Life

A participant benefits package should feel like a benefit. Refer to this document when administering group and voluntary insurance benefits from USABLE Life.

At USABLE Life, our mission is to make a meaningful difference to our clients, as well as our policyholders and their families. We offer a wide range of group and voluntary life and supplemental products, so we've got you covered! We work hard every day to put our members first while making life easier for our client administrators and producers. Our goal is to deliver the products you need, backed by strong service and industry-leading technology.

Strength in numbers

For 40 years, USABLE Life has been a trusted name in the insurance industry. We maintain an A.M. Best rating of "A" (Excellent). Our financial strength and stability mean we deliver on our promise when our customers need it the most.

Service and technology redefined

Our business is all about service, and USABLE Life delivers exceptional results. From onboarding new clients to paying our members' claims, we are focused on providing a level of quality and responsiveness that gives our customers peace of mind. USABLE Life is also at the forefront of insurance technology, providing modern benefits administration experiences that we continue to build on. We design and craft our technology in-house with the goal of enhancing our customers' experience and putting practical tools into their hands. AccessAbleSM — our membership and enrollment solution — is a single platform with the flexibility to manage the full stack of employer-paid and voluntary medical and ancillary products. Adoption of the platform has been rapid, and we continue to invest heavily in expansion and enhancements. We are also able to take enrollment files and interface with most benefit administration and payroll systems.

For effective benefits administration:

- The group insurance plan is governed by the insurance policy, including the specific rules of how these benefits work
- The insurance policy contains the definitions of terms referred to in this guide
- All persons involved in the administration of the group insurance plan should familiarize themselves with this guide and specific insurance policies
- Timely and accurate notification of participant changes is critical to successful benefits administration
- Please provide prompt, written notice if the business structure/standing changes, including nature of business, mergers and divestitures, bankruptcy proceedings, and dissolution
- Visit USABLELife.com to find helpful administration tools
- All documents referenced in this guide can be found on USABLELife.com

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SECTION 1

Enrollment and maintenance

Establishing your account

USABLE Life will create an online account and provide a user ID and a temporary password by email, along with your Welcome Kit. Visit USABLELife.com to log in. If additional information is needed, please contact our Customer Care team at 800-370-5856 or custserv@usablelife.com.

Maintaining participating employers

You are responsible for having all participating employers complete a participating agreement with the plan design they have chosen. These should be updated when a participating employer makes any policy changes. You are responsible for keeping these on file and providing to us in the event of a claim or we ask for them. Please refer to your policy for additional responsibilities.

Maintaining participant information

Timely and accurate notification of participant changes is critical to successful benefits administration. Membership changes should be maintained within your benefits administration system to aid with premium audits and claims processing. Please refer to the Policyholder Responsibilities section within your policy for additional details.

Billing note

You are responsible for providing a monthly Self-Admin Premium Remittance form. A sample is shown on Page 7. We will accept benefits administration standard reports or full census in lieu of the USABLE Life summary page. Please discuss options with your dedicated premium processor. **Required:** Number of lives, volume, and premium submitted by product.

New participants

Please have new enrollees complete and sign an enrollment form within 31 days after the waiting period has been satisfied (even if the participant is declining all coverage):

- Retain a copy of the participant election for your records. This should be available to provide if requested at time of claim.
- Elections over guaranteed issue (GI) may require Evidence of Insurability (EOI).

- Payroll deductions should begin as of the participant's coverage effective date:
 - If the participant's effective date does not occur on the first of a month, full premium deductions should begin the first of the following month. Premium amounts should not be prorated.
 - Do not begin withholding premiums on amounts over GI until USABLE Life approval has been received.
 - Premium is generally due on the first day of each month.
 - New participants should be added within 31 days of their eligibility date.

Rehires

Certain restrictions apply if a participant is terminated and later rehired. Please see the Reinstatement section of your policy for details.

Beneficiaries

You are responsible for collecting and maintaining your participants' beneficiary designations. You and your participants can find a Beneficiary Designation form at USABLELife.com/Documents. A completed Beneficiary Designation form should be provided for any life insurance or accidental death benefits.

Loss of coverage

When participants lose coverage (due to termination, reduction in hours, change in class, annual enrollment changes, etc.), corresponding records should be updated within your benefits administration system.

- USABLE Life does not bill partial-month premiums. A full month's premium will be charged if an individual is covered for at least one day in the month coverage begins or terminates.
- Continuation options may be available based on your policy. Review the Continuation of Coverage and Portability sections of your policy for details.

Evidence of Insurability

Coverage up to the GI amount may be approved, provided the participant is not considered a late entrant (see Page 5) and is eligible for coverage. When a participant elects coverage in excess of the policy's GI amount, a completed Statement of Insurability form must be submitted for medical underwriting review.

Spouse coverage in excess of GI will also require a signed authorization form to complete medical underwriting.

It is important that the Statement of Insurability form is complete and accurate to avoid processing delays. Medical underwriting decisions are communicated to you and the participant. You should maintain copies of the approvals and denials.

USABLE Life must receive the completed Statement of Insurability form within 30 days of the signature date. The information on the Statement of Insurability form is considered valid for no longer than 90 days. An incomplete form could delay processing and approval of benefits.

Until a determination is made, the premium and related payroll deduction should be limited to the GI amount. The increased premium is due the first of the month following approval.

Completed Statement of Insurability forms may be submitted via email to membership@usablelife.com.

To explore self-admin online EOI capabilities, contact the Membership team at membership@usablelife.com. This electronic interchange is based on state online capability and availability.

Frequently asked questions

What is Evidence of Insurability or Statement of Insurability?

Evidence of Insurability (EOI), also referred to as Statement of Insurability, is a process in which individuals applying for insurance coverage with USABLE Life provide health information about themselves and their dependents.

How do individuals know if they need to submit an EOI or Statement of Insurability form?

Any individual applying for coverage over the GI amount or any late entrants will need to submit an EOI/Statement of Insurability form. Late entrants are individuals who are electing coverage for the first time outside of their initial 31-day eligibility period or their first annual enrollment period.

Spouse and Dependent Coverage: Spouse coverage that is late or in excess of the GI amount requires a signed authorization from the spouse.

What happens if an EOI/Authorization form is not completed?

If a customer's application does not include an EOI/Statement of Insurability form or the Spouse Authorization, USABLE Life will request the required form(s) and allow 15 days for the information to be returned. After 15 days, if the information has not been returned, a reminder notice will be sent. After 30 days, the application will be closed, and a closure letter will be sent to the group. Application processing will stop until the EOI/Authorization is received.

Note: Requests for information can be made to the group, member, or whoever is submitting the application for benefits by mail or email.

What happens after USABLE Life receives the Statement of Insurability form?

Unless additional medical information is needed, USABLE Life will make a decision on the application within five to seven business days. A medical underwriter will contact customers whose applications require additional information, allowing 30 days to respond. If USABLE Life does not receive the required information within 30 days, a second notice will be sent to the customer allowing an additional 15 days to respond. Applications with no response will be closed after 45 days.

What monthly premium will an individual pay while their Statement of Insurability form is being processed?

No premium is due for late entrants until a coverage decision is made. Otherwise, the premium and related payroll deduction are limited to the premiums for the policy's GI amount until USABLE Life makes a coverage decision. In either case, the premium for coverage over the GI (and any increased coverage) will start on the first of the month following approval.

Where should the completed Statement of Insurability forms be submitted?

Completed forms should be emailed to membership@usablelife.com.

Questions?

Please contact our helpful Customer Care team at 800-370-5856 for additional questions regarding the Evidence of Insurability process.

Status changes

IRS regulations significantly restrict a participant's ability to change a pretax benefit election under a Section 125 (cafeteria) plan. Such changes are permitted only during specified enrollment periods or in response to certain life events (childbirth, adoption, divorce, death, etc.). When allowed, the change in election must be consistent with the life event. USABLE Life is not the administrator or a fiduciary of the cafeteria plan. The responsibility for any tax consequences resulting from an election change lies with the participant or the plan's administrator. Refer to the Changes in Coverage section within your policy for details.

Late entrants

Late entrants, if allowed under the policy, are subject to EOI requirements. Completed Statement of Insurability forms may be submitted via email to membership@usablelife.com.

New hires are considered late entrants if the application is submitted after the initial 31-day eligibility period or after the participant's first annual enrollment period (cannot exceed 12 months from their date of hire).



Age reduction/termination

Some products are subject to benefit reduction, termination, and/or premium adjustment at various ages, as indicated by the policy. Generally, changes apply on the participant or spouse's birthday or the next plan anniversary following that date.

Please refer to your policy for information regarding benefit reduction schedules.

Premium changes for age-banded rates

Premiums based on age are in effect for a full year. Any age-banded changes will coincide with anniversary dates.

Salary increases

Salary increases that cause an increase in coverage are recognized either on the first of the month following the increase or at the plan anniversary. Please check your policy for details. It is important to make adjustments to salary on time as this can affect premium, benefits, and claims payments. An EOI may be required for any benefit increases. Please refer to the policy for GI increases. This ensures premiums, benefits, and claim payments are correct, and any required EOI based on a salary increase is processed in a timely manner.

Note: Changes to a participant's salary will not necessarily result in changes to benefits. Refer to the Changes in Coverage section.

- Determine if you have salary-based products by reviewing your group policy.
- Review the definition of "salary" in your policy to determine what you should report (e.g., commissionable participants). If your insurance plan contains a GI limit, the participant must complete a Statement of Insurability form if the benefit exceeds the limit.
- Review forms for completeness and signature.
- Make a copy of the Statement of Insurability form and enrollment form for your records, and send the Statement of Insurability form to membership@usablelife.com.
- Do not begin withholding participant contributions for the amount in excess of the GI limit until you receive approval.

Dependent age maximums

The dependent age maximum is when a child reaches age 26. Continuation of coverage for disabled child dependents may be available under the policy. Please refer to the policy.

You will be responsible for validating dependent eligibility and advising USABLE Life of changes.

Please use the grid on the following page for standard administration requirements for various changes in enrollment to Life, Accidental Death & Dismemberment (AD&D), Voluntary Life, and Dependent Life.

	100% EMPLOYER PAID	PARTICIPANT CONTRIBUTES	
	Life and AD&D	Life	AD&D
Currently insured			
Election amount	N/A	\$10,000 increments up to GI during annual enrollment only	Up to policy max
EOI requirement	For amounts over GI	For amounts over \$10,000/GI	None
Effective date	Based on eligibility	Based on eligibility	Based on eligibility
New hire			
Election amount	Up to policy max	Up to policy max	Up to policy max
EOI requirement	For amounts over GI	For amounts over GI or entry outside eligibility period	None
Effective date	Date of hire + waiting period	Date of hire + waiting period	Date of hire + waiting period
Late entrant			
Election amount	Up to policy max	Up to policy max	Up to policy max
EOI requirement	For amounts over GI	For all requested amounts	None
Effective date	Date of hire + waiting period	First of the month following approval date	First of the month following approval date
Qualifying event			
Election amount	Up to policy max	Up to policy max	Up to policy max
EOI requirement	For amounts over GI or entry outside eligibility period	For amounts over GI or entry outside eligibility period	None
Effective date	Date of eligibility	Date of eligibility	Date of eligibility

SECTION 2

Billing

Self-administered billing

By selecting self-administered billing, you will not receive a billing statement containing a roster of insured participants on a monthly basis. In order to calculate the total premium due, insert the number of lives and total volume in the suggested fields. The monthly premium report is prepopulated with the current rate by coverage type. Once the number of lives and volume are inserted, the total premium amount due will populate in the premium field.

This report is due monthly when submitting payment in order for USABLE Life to accurately reflect the group's coverage amounts and to apply premiums accurately. For your assistance, the monthly premium report is displayed below with a detailed description of each field.

If you choose not to use the provided monthly premium report, USABLE Life will accept benefit standard reports or a full census on a monthly basis. It is the responsibility of the group to maintain updated and accurate participant information for premium and claim purposes. Our payment address is:

USABLE Life
P.O. Box 204678
Dallas, TX 75320-4678

Calculating premiums

For each coverage, you will need to report the number of lives, volume, and premium. Please do not begin withholding premiums on amounts over GI until USABLE Life approval has been received. Refer to your policy for specifics regarding your benefits plans.

When determining the volume, please be sure to check your policy to determine:

- Appropriate salary definition
- Plan's maximum benefits and rounding rules — do not determine volumes in excess of these amounts
- For Life and AD&D, the plan's reduction schedule — do not determine volumes in excess of these amounts
- GI limits — determine volumes based on GI limits until USABLE Life approval has been received for additional amounts

ABC COMPANY 1
#50000000
August 2017



MONTHLY PREMIUM REPORT

**Premiums are due on the last day of the month for the following premium month*

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GTL			AD&D			Dependent Life		VSTD			LTD			
Volume	Rate	# of Lives	Volume	Rate	# of Lives	Rate	# of Lives	Volume	Rate	# of Lives	Monthly Covered Payroll	Rate	# of Lives	
	\$0.06			\$ 0.02										
GTL Premium	\$ -		AD&D Premium	\$ -		Dep Life Premium	\$ -	VSTD Premium	\$ -		LTD Premium	\$ -		
VADO			VADOSP			VADDOH			STD Buy Up			LTD Buy Up		
Volume	Rate	# of Lives	Volume	Rate	# of Lives	Volume	Rate	# of Lives	Volume	Rate	# of Lives	Monthly Covered Payroll	Rate	# of Lives
	\$ 0.02			\$ 0.03			\$ 0.03							
VADO Premium	\$ -		VADOSP Premium	\$ -		VADDOH Premium	\$ -		STD Buy Up Premium	\$ -		LTD Buy Up Premium	\$ -	
VGTLOH			Accident Recovery			Critical Illness		Hospital Care						
Volume	Rate	# of Lives	Rate	# of Lives	Rate	# of Lives	Rate	# of Lives	Rate	# of Lives				
VGTLOH Premium	\$ -		ACC Premium	\$ -		CI Premium	\$ -		HIP Premium	\$ -				

1 Prepopulated Group Name and Account Number
Your USABLE Life Group billing number will be listed on the Monthly Premium Report. Please reference this account number and name for all correspondences.

2 Product Type



Premium calculation examples

Basic Life/AD&D insurance (employer-paid premium)

Line of coverage	Basic Life	Basic AD&D	Basic Life	Basic AD&D
Type of benefit	Multiple of salary		Flat benefit	
Rate unit	Per \$1,000 of volume			
Rate type	Same rate for all participants, regardless of age			
Volume per participant	1. Annual salary x multiple of salary= benefit. 2. Round the result from #1 as stated in your policy. The rounding rule is usually to round up to the next \$1,000. 3. Compare the benefit to the plan maximum; cap the participant's benefit at max if necessary. 4. Reduce benefit amount if participant's age qualifies and if applicable.	Same calculation as Life benefit, assuming your AD&D benefit is the same as Life benefit. If AD&D benefit is different from Life benefit, calculate AD&D volume according to type of benefit.	Volume for each participant is the flat benefit amount. Reduce benefit amount if participant's age qualifies and if applicable.	Volume for each participant is the flat benefit amount. Reduce benefit amount if participant's age qualifies and if applicable.
Monthly premium calculation	1. Total the combined volume for all covered participants 2. Divide combined volume by 1,000 3. Multiply #2 times the Life rate	1. Total the combined volume for all covered participants 2. Divide combined volume by 1,000 3. Multiply #2 times the AD&D rate	1. Total volume is number of covered participants times flat benefit amount 2. Divide total volume by 1,000 3. Multiply #2 times Life rate	1. Total volume is number of covered participants times flat benefit amount 2. Divide total volume by 1,000 3. Multiply #2 times AD&D rate

Premium calculation examples

Voluntary and Life/AD&D insurance (participant-paid premium)

Line of coverage	Life	AD&D	Life	AD&D
Type of benefit	Multiple of salary		Incremental benefit	
Rate unit	Per \$1,000 of volume			
Rate type	Step rates — participant's rate is based on age. Refer to your group policy to determine when participant rate changes into next age band.	Same rate for all participants, regardless of age.	Step rates — participant's rate is based on age. Refer to your group policy to determine when participant rate changes into next age band.	Same rate for all participant, regardless of age.
Volume per participant	For each participant who elected Supplemental Life, volume is annual salary x multiple of salary selected, rounded to the next \$1,000. Reduce benefit amount if participant's age qualifies and if applicable.	For each participant who elected Supplemental AD&D, volume is annual salary x salary selected, rounded to the next \$1,000. Reduce benefit amount if participant's age qualifies and if applicable.	For each participant who elected Supplemental Life, volume is benefit amount selected. Reduce benefit amount if participant's age qualifies and if applicable.	For each participant who elected Supplemental AD&D, volume is benefit amount selected. Reduce benefit amount if participant's age qualifies and if applicable.
Monthly premium calculation	Volume for each participant divided by 1,000 times the Life age rate for that participant.	Volume for each participant divided by 1,000 times AD&D rate.	Volume for each participant divided by 1,000 times the Life age rate for that participant.	Volume for each participant divided by 1,000 times AD&D rate.

Premium calculation examples

Dependent Life insurance

(employer-paid or participant-paid premium)

Line of coverage	Life
Type of benefit	Multiple of salary
Rate unit	Per unit of coverage
Rate type	Same rate for all participants, regardless of age
Volume per participant	Flat amount for spouse/flat amount for dependent regardless of number of dependents
Monthly premium calculation	Total the number of participants electing coverage; multiply times the Dependent Life rate



Delinquency

The payment of claims is impacted if premium is not paid in a timely manner. A policy is considered delinquent if the premium due is not paid by the end of the premium month. Delinquency letters will be mailed to the billing contact we have on file. Delinquent policies will be terminated per the provisions of the policy.

Reinstatement request must be reviewed and approved by our underwriting department and is subject to a fee if reinstated. Groups not approved for reinstatement will no longer have coverage for their participants.

Audits (groups with self-administered billing)

Payment audits of groups that administer their own billing are conducted routinely based on the size of a group. The purpose of the audit is to ensure a group is submitting payments based on the correct rate, lives, and volume.

Each of these items is compared to the most recent or appropriate premium remittance received from the group. Below is the audit frequency based on group size:

- A census is requested annually for self-administered groups with \$500,000 or more in annual premium
- A census is requested periodically (at least once every two years) for self-administered groups with less than \$500,000 in annual premium

At the time of an audit, a member of the USABLE Life team will contact the group to obtain a current census. If a variance is found of less than 10%, no action is typically taken. If the variance is 10% or greater, research is required to determine the variance. Resolution of variances can vary based on the type/nature of the exception or group size. After research is conducted, standard resolution is to collect or refund all premium exception amounts up to a maximum of 12 months.

SECTION 3

Claims

Obtaining a claim form

Claim forms for most benefits are available to download at [USABLELife.com/Documents](https://usablelife.com/Documents). To ensure the claim is submitted on the current claim form, be sure to download the correct form each time a claim needs to be submitted. Saved copies may not include recent updates.

Completing a claim form

Instructions are provided with each claim form. To ensure timely decisions, all questions on the claim form should be fully completed by the appropriate individual and submitted with any required documentation.

Submitting a claim

Claims may be submitted in one of the following ways:

Life claims

Email: claims@usablelife.com

Mail: P.O. Box 1650, Little Rock, AR 72203-1650

Fax: (501) 235-8416

Complete claims

The following forms and/or documents are required for a complete claim. Some of these forms will be your responsibility, and some will be the participant's responsibility.

Life claim form

1. Life claim form
 - Employee information section
 - Insured information section
 - Employer statement
2. Beneficiary statement
3. Fraud notice
4. Death certificate
 - Copy for amounts up to \$50,000
 - Original certificate with seal for amounts over \$50,000

Additional forms (see claims submission checklist on the claim form)

Incomplete claims

A claim form submitted without all required sections completed or without the required documentation is considered incomplete and will cause delays. USABLE Life will contact the participant for the missing information when an incomplete claim is received.

SECTION 4

Policy features

Premium waiver

Many life policies contain Waiver of Premium provisions. Please refer to your policy for detailed information or to verify the inclusion of this benefit. It is important to continue premium payment until notified of approval on each product.

Waiver of Premium for life coverage requires an Application for Extended Insurance Benefits.

The Waiver of Premium benefit provision does not apply to insurance continued under the portability provision.

The Application for Extended Insurance Benefits is available at USABLELife.com/Documents.

Note: Waiver of Premium guidelines may vary by coverage.

Group Life conversion and portability

Conversion

Participants and their dependents may be able to convert their Group Term Life coverage to Individual Life coverage within 31 days of leaving employment. Conversion applications are available to download at USABLELife.com/Documents.

Portability

If your policy contains a portability provision, participants and their spouses may be eligible to continue Group Term Life insurance coverage if the participant meets certain eligibility requirements. Portability is not available upon cancellation of the group policy.

It is your responsibility to give participants notice about the right to port or convert. This notice must be delivered within 31 days when a participant leaves employment with the company.

Please refer to the policy issued to your group for any restrictions and to see if this benefit is available for your participants. For additional information on this process, please contact Customer Care at 800-370-5856 or membership@usablelife.com.

Renewals

Your policy will go through a renewal process at the end of your rate guarantee. We may request an updated detailed census in advance of the renewal.

Continuation of coverage

When a participant's coverage would otherwise end due to a leave from active work, the participant may be able to continue insurance under the Continuation of Coverage provision. Typical situations where a participant may be able to continue their coverage include disability, layoff, an approved leave of absence, military leave, and family medical leave.

Coverage may be continued under this provision provided we receive notification of the participant's approved leave and all other requirements from the Continuation of Coverage provision have been satisfied.

Please refer to the policy for additional information regarding continuation options that may be available for your group.

SECTION 5

More on USAbLe Life

Documents

The USAbLe Life website provides online access to forms and documents to support the participant's benefits needs. Visit USAbLeLife.com/Documents.

Privacy statement

At USAbLe Life, we know that the privacy of your personal information is important to you. The proper handling of your personal information is one of our highest priorities. We want to be sure that you know why we need to collect personal information from you. We also want you to know how we protect your privacy and the measures we take to safeguard your information.

Customer information

USAbLe Life collects and only keeps information that is necessary for us to provide insurance services requested by you and to administer your business with us. We may collect nonpublic personal information:

- When participants complete an enrollment or other form. This could include information such as name, address, Social Security number, income, and any medical information that they authorized us to collect to underwrite and administer policies and claims.
- From any consumer reporting agency or medical information agency (e.g., MIB Inc.) as authorized by participants.
- As a result of transactions with us, our affiliates, or others. This could include policy values, policy numbers, payment history, and transactions completed with us.

Sharing information

We only share nonpublic personal information with nonaffiliated companies or individuals as permitted by law, such as third-party administrators and consumer reporting agencies, or to comply with legal or regulatory requirements. In the normal course of our business, we may disclose information we collect to companies or individuals that contract with us to perform servicing functions such as record keeping, policy administration, claims adjudication, computer processing, joint marketing of products, and distribution of statements. When we provide personal information to a service provider, we require them to agree to safeguard information, to use the information only for the intended purpose, and to abide by applicable law.

How we protect information

Only participants with a valid business need have access to protected personal information. These participants are trained and educated on the importance of maintaining the confidentiality and security of this information. They are required to abide by our information-handling practices. We maintain security standards to protect confidential information, whether written, spoken, or electronic. We update and test our systems to ensure the protection and integrity of our information.

Maintaining accurate information

Our goal is to maintain accurate, up-to-date customer records in accordance with industry standards and state and federal insurance laws. We have procedures in place to keep information current and complete, including timely correction of inaccurate information.

Disclosure of our privacy notice

At USAbLe Life, we recognize and respect the privacy concerns of our potential, current, and former customers. We are committed to safeguarding this information. You may contact Customer Care at 800-370-5856 between 8 a.m. to 7 p.m. CT, Monday through Friday, to obtain a printed copy of our Privacy Notice, or you may visit USAbLeLife.com to view the notice online.

This document provides a brief description of USAbLe Life's insurance. This is not an insurance policy. Limitations and exclusions may apply and coverage may be reduced or terminated due to lack of eligibility. Please read the insurance policy carefully.

USAbLe LifeSM and AccessAbleSM are used with the consent of USAbLe Mutual Insurance Company.

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