

EMPLOYEE BENEFITS POLICY GUIDE

Your employee group life and accidental death and dismemberment plan is underwritten by Provident Life and Accident. *When referring to your group life plan, please reference policy number W-185A.*

It is important to understand that the Group Health Plan underwritten by Aetna Life Insurance and your Group Life Plan with Provident is one complete package and it is not possible to obtain one coverage without the other. Although benefits are packaged, each Political Subdivision and/or Governmental Unit is responsible for remitting separate premium payments to the insurance carriers.

The following information is intended to help assist you in administering your group life insurance plan. Should you have any questions about your plan or the administration of your plan that is not covered on the following pages or in your Employee Group Insurance Plan Information Booklet, feel free to direct them to us at (800) 799-4455.

PROVIDENT CONTACTS

Group Representatives: Adam Graziano– *Director, Service and Administration*
3600 Minnesota Dr., Suite #600
Edina, MN 55435

Telephone Number: [800] 328-8659 All States
[952] 346-4500 Main
[952] 346-4525 Direct

Facsimile [952] 346-4544

Margaret Fier –National Account Manager
3600 Minnesota Dr., Suite #600
Edina, MN 55435

Telephone Number: [800] 328-8659 All States
[952] 346-4500 Main
[952] 346-4537 Direct

Facsimile [952] 346-4544

STATE OF ALASKA

BENEFIT OVERVIEW

- POLICY NO. W-185A / 9072
- EXTEND TO ACTIVE EMPLOYEES and DEPENDENTS ONLY - Refer to your EMPLOYEE GROUP INSURANCE INFORMATION BOOKLET to determine eligibility.

EMPLOYEE BASIC LIFE INSURANCE PLAN

- Employer Paid - 100% Non-Contributory
- Basic Life Benefit -\$2,000
- Basic Accidental Death and Dismemberment Benefit -\$5,000

DEPENDENT LIFE INSURANCE PLAN

- Employee Paid - Contributory - AD&D coverage not available
- Spouse Life Benefit - Flat \$1,000
- Dependent Child Life Benefit - Age of Child at Death
 - 14 days but not more than 6 months \$100.00
 - 6 months but less than 2 years \$200.00
 - 2 years but less than 3 years \$400.00
 - 3 years through age 22 \$500.00

OPTIONAL LIFE AND OPTIONAL ACCIDENTAL DEATH & DISMEMBERMENT

- Employee Paid - 100% Contributory
- 1 X Base Annual Salary - rounded to next higher multiple of \$1,000
- Maximum Benefit - \$60,000
- Guarantee Issue Amount - 1 X Base Annual Salary if elected within 31 days of hire date or eligibility date
- Accidental Death & Dismemberment Benefit - Equal to value of optional life benefit
- Available to Eligible Employees Only
- Payroll Deducted

ADDITIONAL INFORMATION RELATED TO OPTIONAL LIFE COVERAGE

Employees participating in the basic life insurance program have the option of enrolling in the “Optional Life Insurance” program. The amount of Optional Coverage available is equal to their base annual salary (excludes overtime and bonuses) rounded to the next higher multiple of \$1,000, subject to a maximum benefit of \$60,000.00. The Optional Life benefit is payable to the beneficiary as a result of death from any cause.

If Optional Life is elected, the employee must also elect the Optional Accidental Death and Dismemberment (AD&D) benefit. The benefit available is equal to the Optional Life amount and is payable for losses that occur within 100 days of an accident.

The Optional Life and Optional Accidental Death and Dismemberment benefits are paid for entirely by the employee through convenient payroll deductions. Premiums are determined by age of the employee and salary. (Additional information may be found in your EMPLOYEE GROUP INSURANCE INFORMATION BOOKLET.)

If employees enroll for the Optional Life and Optional Accidental Death and Dismemberment benefit within 31 days from the date of hire or becoming eligible, proof of good health will not be required. If the employee enrolls after the 31 days, they must wait until annual enrollment.

ENROLLING NEW EMPLOYEES

Forms Needed: Employee Benefits Client Services Enrollment/Refusal Request Form.
Form Number: EB-1 (Rev.4-07)

To enroll a new employee in your Employee Benefits Life Plan, follow these steps:

1. At the time of hiring, discuss the plan with each employee who will be eligible for coverage. New employees are eligible on the day they have met the eligibility requirement as stated in your GROUP INSURANCE INFORMATION BOOKLET under WHEN COVERAGE STARTS.
2. Include new employees in the premium payment for the month following the end of the eligibility waiting period. Note: In the case of contributory dependent and Optional Life and Optional Accidental Death and Dismemberment coverage, if the employee does not enroll within 31 days of becoming eligible, and Evidence of Insurability is required, do not remit the premium until you receive notification of acceptance by Provident (see Enrolling Life Insurance Late Applicants section).
3. **Require each employee to sign a Group Enrollment Form. The enrollment form supplies information about the insured and designates a beneficiary. It is also your record of whether an employee has accepted or declined contributory life coverage. If contributory life coverage is accepted, the enrollment form authorized the deduction of the cost of the coverage from employee's paycheck. Note: Complete only those items applicable to life insurance.**

IMPORTANT NOTE:

DO NOT SEND COMPLETED ENROLLMENT FORMS TO PROVIDENT. ADMINISTRATION OF YOUR GROUP LIFE PLAN WITH PROVIDENT IS SELF-ADMINISTERED. ALL RECORDS ARE TO BE MAINTAINED BY YOUR DEPARTMENT. IN THE EVENT OF A DEATH CLAIM, PROVIDENT WILL REQUIRE A COPY OF THE EMPLOYEE'S ENROLLMENT FORM.

REHIRED EMPLOYEES

If an employee was previously insured under the State's political subdivision plan (W-185A) and is rehired within seven calendar days by your division or another employer participating in this plan, coverage begins on the date of rehire. If rehired more than seven days after insurance terminated under the plan, the employee is considered a new employee, and you should repeat the three steps listed under Enrolling New Employees.

PREMIUM REMITTANCE

Premiums are Self-Administered. This means that each political subdivision maintains their eligibility records and provides the precise number of insureds covered for basic life, basic accidental death and dismemberment, dependent life coverage, and optional life coverage including the volume of coverage. This information is remitted on the premium statement provided to you by Provident. A supply of the premium statements has been included in this guide. Should the premium rates change, you will be sent a new supply of statements along with a cover letter indicating the new rates and the effective date.

Monthly premiums are due on the first of each month. A copy of the fully completed premium statement is sent to Provident with each premium payment.

Send premium statements and payment to:

Unum
Attn: Mary Lee Underhill
7650 Edinborough Way
Suite 600
Edina, MN 55435

PREMIUM STABILIZATION RESERVE REDUCTION PROGRAM

Due to the balance of funds within the Premium Stabilization Reserve (PSR), The State of Alaska is implementing a program effective 07/01/2008 to reduce the balance in the PSR by drawing portions of the monthly premium payments directly from the PSR. When you send the completed premium statement, you will see a column for total premium, the amount to be drawn from the PSR balance and the amount you are submitting. You will complete the invoice, but not remit premium for the employer paid coverage. For employee paid coverage, you will collect 50% of the premium required for coverage from the employee, and the other 50% will be drawn from the PSR balance. Questions regarding the program should be directed to Sheri Gray at 907-465-2292 or to Paul Standal at 952-346-4522.

PREMIUM CALCULATIONS

As previously stated, all eligible employees are covered for the basic life and basic accidental death and dismemberment benefits. Although the cost for this coverage is based on a per \$1,000 benefit, we have simplified the statement by providing a flat cost per employee per month. Therefore, you do not need to include the volume of life coverage for the basic benefits.

To calculate your basic life premium:

- a) enter the number of employees covered on the first of month
- b) Multiply the number of employees by the premium rate. Enter resulting amount in the Amount Due column.

Note: The number of lives covered for basic accidental death and dismemberment will be the same as indicated for the basic life coverage. (A sample statement providing an example of the calculation has been included in this guide.)

Dependent Life Premium is based on a per member rate. To calculate your dependent life premium:

- a) Enter the number of employees with dependents covered under Dependent Life. Rates differ depending on the number of dependents a specific employee is covering. Refer to premium statement for categories.
- b) Calculate the dependent life amount due by multiplying the number of employees by your Dependent Life Rate.

The Optional Life and Optional Accidental Death and Dismemberment coverage are contributory. The Optional Life rates are age banded. If a covered person's salary or age changes, the amount of insurance and premium are determined as of June 16 following the date salary or age changed and becomes effective August 1.

To calculate your optional life premium:

- a) Enter the number of lives covered in each age band. Refer to premium statement.
- b) Enter the total volume of coverage for each age band. Total volume of coverage is the total sum of base annual salary to be covered.
- c) Calculate the amount due for each age band by dividing the volume for each age band by 1,000 and multiplying by the appropriate rate shown by age band on the premium statement.

To calculate your optional accidental death and dismemberment premium:

- a) Enter the total number of lives covered for all age bands.
- b) Enter the total volume of coverage for all age bands.

- c) Calculate the optional accidental death and dismemberment amount due by dividing the total volume by 1,000 and multiplying by premium rate shown on the premium statement.

IMPORTANT NOTE

IF OPTIONAL LIFE COVERAGE IS ELECTED, THE EMPLOYEE MUST ALSO ELECT THE OPTIONAL ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT. THE OPTIONAL ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS IS EQUAL TO THE OPTIONAL LIFE AMOUNT.

ENROLLING LIFE INSURANCE LATE APPLICANTS

Late Applicants for Life Insurance are those employees and their dependents, who wish to apply for coverage more than 31 days after their first day of eligibility for contributory (employee paid) coverage. This includes those who declined "Optional" or "Dependent" coverage when they were first eligible. Evidence of Insurability is required for all Late Applicants.

Forms Needed: Evidence of Insurability Application for Coverage
Form Number: F-601617 (Rev.1-97)

Employees applying for coverage as a late applicant should:

1. Complete a new Group Enrollment Form (Employee Benefits Client Services Enrollment / Refusal Request Form) form number EB-1 (Rev. 4-07).
2. Complete an Evidence of Insurability Application for Coverage, form number F-601617 (Rev. 1-97).
3. Employee should return the completed forms to your office. The enrollment form should be retained in the employees personnel file and the application should be mailed to:

Provident Life and Accident Insurance Co.
Attn: Group Underwriting Services
1 Fountain Square
Chattanooga, TN 37402

IMPORTANT NOTE

DEPENDING ON THE AGE OF THE APPLICANT, ADDITIONAL MEDICAL EVIDENCE MAY BE REQUIRED. PROVIDENT WILL ARRANGE FOR A PARAMEDICAL ORGANIZATION TO CONTACT APPLICANTS REGARDING ADDITIONAL MEDICAL REQUESTS. RESULTS WILL BE FORWARDED DIRECTLY TO PROVIDENT.

DO NOT ADD THE EMPLOYEE'S ADDITIONAL COVERAGE TO YOUR PREMIUM PAYMENT AND DO NOT DEDUCT THE PREMIUM CONTRIBUTION FROM THE EMPLOYEE'S PAYCHECK, UNTIL PROVIDENT RECEIVED - AND APPROVES - THE EVIDENCE OF INSURABILITY. PROVIDENT WILL NOTIFY YOU OF EACH APPLICANT'S APPROVAL OR DENIAL, AND OF EACH APPROVED APPLICANT'S EFFECTIVE DATE OF COVERAGE.

FILING A PROVIDENT LIFE CLAIM

Forms Needed: Claim for Life Benefits
Form Number: 879-68 (Rev.8-07)

To file a Provident Life Claim:

1. Provide the deceased employee's beneficiary with the proper claim form.
2. Have the person to whom the insurance is payable sign the "Beneficiary Statement" on the claim form. If the deceased named more than one beneficiary, each will sign a separate statement. However, the employer will only need to complete one statement.
3. Send the original copy of the insured employee's enrollment for to Provident. *Upon enrollment, the insured signed this form and designated a beneficiary on it.*
4. Send an officially certified copy of the insured employee's or insured dependent's death certificate with your form.. *Provident cannot process a claim until it receives a death certificate.*
5. A person duly authorized by you must complete the "Employer's Statement" on the claim form.
6. Send claim forms and information to:

Unum
Group Life/Special Risk Benefits Center
P. O. Box 100158
Columbia, SC 29202-3158

Phone: 1-800-445-0402 Fax: 1-800-447-2498 or 1-877-852-7624

LIFE INSURANCE CONVERSION COVERAGE

An insured employee, upon termination of employment, may convert all or part of his or her group Life Insurance to an individual Life policy without a physical examination or submitting any Evidence of Insurability. The application and first premium payment must be submitted to Provident within 31-days after termination of insurance under the group policy. This conversion privilege may include dependent spouse the employees dependent spouse but, is not available to dependent children.

Form Needed: Life Insurance Conversion
Notification of Conversion Privilege
Form Number: AE-1042

The Conversion of Group Term Life Insurance brochure/applications will:

1. Explain to whom and when the conversion privilege is available.
2. Give information about the conversion policy.
3. Contain the premium rates for Whole Life Plan Insurance.
4. Provide instructions for calculating premiums.
5. Include a detachable application for the conversion policy.

When a terminating employee wishes to convert the group life insurance policy to an individual policy, follow these steps:

1. Your human resources department should complete the employer's section (on the back portion) of the brochure, then return the entire brochure to the individual.
2. You should review the brochure with the individual and assist in calculating the initial premium.
3. The individual should forward the application and remittance for the first premium, within the 31-day conversion period to:

Unum
Conversion Unit
2211 Congress Street
Portland, ME 04122-1350

Telephone Number: (800) 343-5406
Facsimile: (207) 575-2993

ORDERING PROVIDENT FORMS

The forms you will need for your group Employee Benefits Plan are discussed in various sections of this administrative guide. An initial supply has been included for your convenience. You can order additional supplies by contacting our office.

When ordering forms, please reference the following:

<u>Form Number</u>	<u>Description</u>
EB-1 (Rev.4-07)	Employee Benefits Client Services Enrollment/Refusal Request
F-601617 (Rev.1-97)	Evidence of Insurability Application for Coverage
879-68 (Rev.8-07)	Life Claim Benefit Form
AE-1042	Life Insurance Conversion/Notification of Conversion Privilege
No Form Number	Monthly Premium Statements

(Rev.9/08)