



Associated Builders and Contractors of Alabama

Situs State: AL

Presented by: JH Berry Risk Services

Proposed Effective Date: October 1, 2024

Date of Proposal: July 25, 2024

Better Benefits Ahead

At Unum, we help millions of employees protect their families, their finances and their futures. Comprehensive coverages, superior technology and unparalleled support — delivered where and when it's needed most.

Benefits Proposed

- Long Term Disability

Employer and Employee funding methods are available for the benefits above.



Unum has been a leader in group disability benefits in the U.S. for **more than 40 years**.¹



Unum serves **1 in 2 Fortune 100 companies**.²



Unum in the U.S. protects **38 million people** and their families.³



Unum pays out over **\$6 billion** in benefits each year.³

UNUM REPRESENTATIVE

Paxton Weatherly
Atlanta Sales Office

FINANCIALLY STRONG

AGENCY	RATING
A.M. Best	A Excellent
Fitch	A Strong
Moody's	A2 Good
S&P	A Strong

Ratings are given to the US Insuring Subsidiaries of Unum Group and are current as of June 4, 2024

¹Employee Benefit Plan Review, "Group Accident & Health Surveys 1976-1990" (1977-1991); Gen Re, "U.S. Group Disability Market Surveys 1991-2013" (1992-2014); LIMRA, "U.S. Group Disability Insurance 2014-2016 Annual Sales & Inforce" (2015-2017); LIMRA, 4Q 2017-2019 U.S. Workplace Disability Insurance Inforce (2018-2020); LIMRA, U.S. Workplace Disability Inforce Report 4Q 2020-2021 (2021-2022) Total Group Disability.

²Fortune, "Fortune 500 2021," (2021); Unum customer database, 2021.

³Unum internal data, 2023.



Long Term Disability

Class Number	Class Description
1	All Full-Time Employees

Plan Design

LTD Class Number	1
Hours per Week	30.0
Waiting Period	1st of Month Following 30 Days Active Employment
Benefit Type	Traditional
Benefit Amount	60.00%
Maximum Monthly Benefit	\$7,500
Minimum Monthly Benefit	> of 10% or \$100
Elimination Period	180 Days
Accumulation of Elimination Period	30 Days
Duration	SS ADEA
Regular Occ Period	2 Years
Definition of Disability	Residual
Specialty Definition	Not Included
Integration	Direct Full Family
Pre-Existing Condition	3/12 Exclusion
Conversion	Not Included
Portability	Not Included
M&N Limitation	24 Month Lifetime
Self-Reported Limitation	24 Months
Work Incentive Benefit	12 Month
Benefits While Working	Proportionate Loss
Definition of Gainful	80%/60%
Survivor Benefit	3 Months Gross
EE Contribution	Employer Paid
Tax Choice	Not Included

Long Term Disability

LTD Optional Features	
Work-Life Balance (EAP)	Included
Travel Assist	Included
Continuation Layoff	Unum Standard
Continuation Leave of Absence	Unum Standard
Recurrent Disability	6 Months



Long Term Disability

Rates and Cost Information

The Definition of Basic Monthly Earnings (BME) included in the LTD contract is the primary basis used for calculating LTD benefits. It is very important for the employer to match the monthly earnings definition to their payroll programs to ensure that employees receive adequate income protection in the event of a disability. Basic monthly earnings usually exclude bonuses, overtime and commissions earned by an employee. If commissions are to be included in the definition, the amount is averaged over a specified time period, usually 12 or 24 months. We have assumed the definition found in the Underwriting data received by Unum is correct – but we will work with the policyholder during the implementation of the plan.

Rates assume the following:

Rate Guarantee to.....October 1, 2027
Premium Grace Period31 Days
Minimum Participation20%

Traditional Long Term Disability

Description	Rate Per Covered Payroll	Lives	Covered Payroll	Quote Rate	Quote Monthly Premium
Employer Paid	\$100	477	\$2,378,201	\$0.450	\$10,702

*****offering an Employee Paid Option as well. Choice for either the Employer Paid LTD plan or the Employee Paid LTD plan will be made at the Employer Level not the Employee Level*****



Long Term Disability

Long Term Disability

LTD Coverage Highlights and Descriptions:

Accumulation of Elimination Period

During the Elimination period the disability is considered continuous even if the disability stops (e.g. Employee returns to work full-time) for the time specified in the LTD Optional Features grid.

Benefit Duration

SS ADEA

Age at Disability	Benefit Duration
< 62	To SSNRA*(see table below)
62	60 months
63	48 months
64	42 months
65	36 months
66	30 months
67	24 months
68	18 months
69 +	12 months

*Social Security Normal Retirement Age (SSNRA)

Year of Birth	Social Security Normal Retirement Age
On or before 1937	65 years
1938	65 years, 2 months
1939	65 years, 4 months
1940	65 years, 6 months
1941	65 years, 8 months
1942	65 years, 10 months
1943 – 1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
On or after 1960	67 years

Benefits While Working

Proportionate Loss Formula

Following the work incentive benefit period (and providing the insured is still disabled) benefits are paid based on the percentage of income that is being lost due to the disability.

This calculation is referred to as the Proportionate Loss Formula:

1. Subtract disability earnings from the indexed monthly earnings.
2. Determine the percentage of lost earnings by dividing the answer in Item 1 by the indexed monthly earnings
3. Multiply the monthly payment (gross disability payment less deductible sources of income) by the percentage of lost earnings (Item 2).

Long Term Disability

Continuation of Coverage During Layoff

Unum Standard

Coverage will continue for employees who are on a temporary layoff through the end of the month that immediately follows the month in which the layoff begins.

Employers may continue coverage for employees who are laid off for one full month beyond the month in which their coverage ends. The employer must:

- have agreed to the layoff in writing
- pay premiums for the period of time that coverage is continued, and
- not discriminate in who can continue coverage and who cannot.

Continuation of Coverage During Leave of Absence

Unum Standard

Coverage will continue for employees who are on a temporary leave of absence through the end of the month that immediately follows the month in which the leave begins.

Employers may continue coverage for employees who are on a leave of absence for one full month beyond the month in which their coverage ends. The employer must:

- have agreed to the leave of absence in writing
- pay premiums for the period of time that coverage is continued, and
- not discriminate in who can continue coverage and who cannot.

Coverage Termination

An employee's coverage under the plan will end on the earliest of:

- the date the plan is cancelled;
- the date the employee is no longer in an eligible group;
- the date the employee's eligible group is no longer covered;
- the last day of the period for which the employee made any required contributions; or
- the last day the employee is in active employment, unless continued due to a covered layoff or leave of absence, as described in the contract.

Definition of Disability

Residual

During the Regular Occupation Period, the insured is disabled when Unum determines that the insured is limited from performing the material and substantial duties of his/her regular occupation due to sickness or injury; and the insured has a 20% or more loss of indexed monthly earnings due to the same sickness or injury.

After the Regular Occupation Period, the insured is disabled when Unum determines that due to the same sickness or injury, he/she is unable to perform the duties of any gainful occupation for which he/she is reasonably fitted by education, training or experience.

Evidence of Insurability

Evidence of Insurability (E of I) is a statement of an individual's medical history that is used to determine eligibility of coverage. EOI may be required based on the following guidelines:

Initial Enrollment

EOI is not required.

Newly Hired Employees

EOI is not required.

Late Entrants

Any elected amount requires EOI.

At Annual Enrollment or Change in Status

Employees who are not currently enrolled: Any elected amount requires EOI.

Currently Enrolled Employees: if the plan design has a base and more than one buy-up option, an employee can only increase one level in any one year. The case Pre-Existing Condition Limitation applies to all employees electing a benefit increase.

Long Term Disability

Exclusions

The Policy contains the following exclusions:

- Pre-Existing Condition
- Intentionally self-inflicted injuries
- Active participation in a riot
- Loss of Professional License, Occupational License or Certification
- Commission of a crime for which the employee has been convicted
- War, declared or undeclared, or any act of war
- Incarceration

General Information Regarding Benefit Taxability and Integration

In general, the LTD monthly payment will be taxable:

- If the Employer pays the premiums and employees' salaries are not grossed-up to include premiums as taxable income.
- If the Employees pay premiums with **pre-tax** dollars.
- If Employees share payments of premiums with the employer, a portion of the benefits will be taxed.

In general, the LTD monthly payment will not be taxable:

- If Employees pay premiums with **post-tax** dollars.
- If the Employer pays the premiums and employees' salaries are grossed-up to include premiums as taxable income.

The LTD monthly payment may be reduced by amounts the employee receives or is entitled to receive from deductible sources of income (offsets) and disability earnings.

HR® / BenefitsAnswersNow™

HR®/BenefitsAnswersNow™ is a regularly updated, online reference featuring two critical resources: HR compliance and benefits information. This well organized, easily searchable library of federal and state employment law is available around the clock to help you meet your business's growing HR challenges. You can also choose to receive regular monthly e-mail updates on HR news and trends. Customer support is available by telephone and e-mail.

Mental and Nervous Limitation

Defined Time Period

Benefits for disabilities due to mental and nervous conditions will be paid up to a maximum number of months shown in the Plan Grid. Benefits for disabilities due to mental and nervous conditions will be paid on an in-patient or out-patient basis. However, they will be paid on an out-patient basis for only the number of months shown in the Plan Grid. For benefits to continue beyond this period, the insured must be receiving treatment on an in-patient basis.

Offsets

To avoid over-insurance (e.g., individuals receiving more money being out of work than they receive while working), we subtract certain types of income from the disability benefit payment. Deductible sources of income (also referred to as "offsets" or "integration of benefits") means income from deductible sources listed in the contract which an employee receives or is entitled to receive while disabled. This income is subtracted from the gross disability payment.

Pre-Existing Condition

3/12

Conditions that existed within 3 months prior to the insured's effective date will not be covered if disability begins during the first 12 months of coverage.

Rehabilitation and Return to Work Assistance Program

Participation in the program is voluntary on the part of the insured.

Unum pays an additional benefit of 10% of the gross disability payment to a maximum of \$1,000 per month. While an insured is participating in the Rehabilitation and Return to Work Program, we will pay a Dependent Care Expense Benefit of \$350 per dependent not to exceed \$1,000 per month.

Long Term Disability

Self Reported Symptoms Limitation

Time Period Defined in Plan Grid

“Self-reported symptoms” means the manifestations of a condition which the insured tells his/her doctor that are not verifiable using tests, procedures or clinical examinations standardly accepted in the practice of medicine. Examples of self-reported symptoms include, but are not limited to, headaches, pain, fatigue, stiffness, soreness, ringing in ears, dizziness, numbness and loss of energy.

If it's clear that an individual cannot work even in lieu of physical evidence, Unum will pay the claim under the defined self-reported symptom provision. By paying a benefit for this time period, we are providing the insured with ample time to seek and receive appropriate medical treatment and to make vocational (or lifestyle) changes as necessary. In addition, if during this time the condition becomes verifiable through tests, procedures or clinical examination that confirms the disability, the limitation will not apply.

Survivor Benefit

Gross

If an insured is receiving benefits and dies after having been disabled for at least 180 days, we will pay a Survivor Benefit. The standard Survivor Benefit is a multiple of the gross monthly benefit and is usually paid in a lump sum to the eligible survivor.

In addition to the above requirements, the following also apply:

- If there is more than one eligible survivor (e.g., no spouse but two eligible children) only one Survivor Benefit will be paid.
- If there are no eligible survivors, we will pay the estate (if there is one).
- The Survivor Benefit will be applied to any overpayments that might exist.

Work Incentive Benefit

12 Months

For the first 12 months that an insured works while disabled, we don't begin offsetting for disability earnings* received while working *until* the earnings plus the gross disability payment exceed 100% of indexed monthly earnings.

**Disability earnings mean the income an insured receives or is entitled to receive while disabled whether working or not, and whether earned prior to or during disability. Disability earnings also include income the insured could have received if working to their maximum capacity.*

General Coverage Highlights and Descriptions

About this Proposal

This proposal is under no circumstances a contract for the insurance coverage described within. It is common for contract language to vary by provider. If this proposal is accepted, a contract detailing the terms of coverage will be issued with the intention to match in force provisions using Unum's standard filed and approved contract language. This proposal is based on the underwriting data received by Unum. Final Premium rates, plan design and rate guarantees may change if:

- The terms of the proposal change;
- There is a change in the factors bearing on risk;
- Underwriting data provided to us was incorrect; or
- There is a change in the law or regulation affecting the insurance coverage.

The quote assumes coverage of employees who are in active employment in the United States with the employer. Please contact your Unum representative to request a quote for coverage of any employees who do not fit this category.

Claim & Leave InSight (CLI)

Claim & Leave InSight (CLI) is Unum's internal claim and leave reporting and analysis system. By combining the world's largest private disability database with powerful, Internet-based technology and statistical analysis, employers are able to measure, monitor and manage their lost time and benefit costs. Claim & Leave InSight:

- Is easily accessible via the iServices interface – only one logon is necessary
- Has a customizable dashboard for searching integrated claim and leave data, running reports, and tracking employee absence by date or location
- Contains more than 20 standard reports with real-time updates for some reports
- Allows the employer to manage the security of sensitive information by designating who has access and what level of access each user has to claim and leave data

Claim & Leave InSight is available to customers of Leave Management Services, Classic Group STD, Classic Group LTD and Classic Group Life Insurance at no additional cost; CLI is not available on Benefit Advantage. The standard case size is 100+ lives (CLI is available down to 2+ lives but reports are not meaningful below 100 lives).

Work-Life Balance Employee Assistance Program

This service provides insureds and their dependents with confidential, experienced assistance in dealing with day-to-day life issues or crisis support. The **Work-Life Balance EAP** helps keep employees productive at work by helping them deal effectively with personal or professional goals and challenges. This service is available around the clock and can be accessed online or via a toll-free number dedicated to Unum customers.

Services are provided by HealthAdvocate and include live telephone and online support. HealthAdvocate's Master's level consultants provide information and referrals on a wide variety of issues, including:

- Parenting and childcare
- Health and worksite issues
- Personnel management
- Legal and financial issues
- Emotional well-being
- Addiction and recovery

General Coverage Highlights and Descriptions

Worldwide Emergency Travel Assistance ® (Travel Assist)

Worldwide Emergency Travel Assistance (Travel Assist) provides emergency travel assistance to insured employees (and their dependents) who travel for business or personal reasons. Available services include: Medical emergency services (including evaluation, referrals & replacement medication); Legal referral (including assistance with bail bonds); Personal services (including emergency funds transfer & assistance to replace lost or stolen travel documents); Employer services (including expatriate coverage for employees and their family members on long term assignments) are available from Assist America directly for an additional fee; Transportation of a friend or family member to join an insured who is expected to be hospitalized for more than 7 days during a trip

Travel Assist is provided by Assist America, Inc. and their global network, staffed around the clock. Assist America has operational capabilities in 210 countries and territories and pays for all services it provides. There are no caps, limits or charge backs to individuals or their employers. This service has no territorial exclusions.

General Coverage Highlights and Descriptions

In Closing

Thank you for the opportunity to provide your company with insurance protection. We are pleased to offer this proposal to you.

For decades, Unum has been the leading provider of group disability benefits in the U.S., providing crucial income when people can't work because of injury or illness. Unum is also a leading provider of voluntary benefits in the country, offering a variety of valuable, affordable benefits that help protect the financial foundations of millions of U.S. workers.

But our products and services are about more than just financial protection. We help businesses support a healthy, engaged workforce and find smart ways to attract and retain valuable employees. We help individuals protect their ability to earn a living and support them in their safe return to work.

With Unum at work, everyone benefits.

Important Information Concerning the Sale of these Benefits

State laws require that insurance brokers be licensed and appointed with the applicable Unum Insurance subsidiary before engaging in the solicitation or sale of these benefits. Note that Unum cannot accept this business if the broker is not properly licensed and appointed before soliciting this proposal.

Unum is prepared to help ensure compliance with these state regulations. Brokers who need to check their Unum appointment status should call the Broker Compensation Service Center at 800-633-7491 opt. 2.

Life Planning is provided by Ceridian Incorporated. The services are subject to availability and may be withdrawn by Unum without prior notice.

This information is not intended to be a complete description of the insurance coverage available. The policy or its provisions may vary or be unavailable in some states. For complete details of coverage and availability, please refer to Policy Form C.FP-2 or contact your Unum representative.

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Underwritten by:

Unum Life Insurance Company of America
 Portland, Maine 04122
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Notice Regarding Broker Compensation

Your insurance or benefits advisor can offer you advice and guidance as you select the policy and provider most appropriate for your needs. At Unum we recognize the important role these professionals play in the sale of our products and services and offer them a variety of compensation programs. Your advisor can provide you with information about these programs as well as those available from other providers. We support disclosure of broker compensation so that customers can make an informed buying decision.

Brokers may be eligible to receive Base Commissions and Supplemental Commissions from Unum.

Unless you have agreed in writing to compensate the broker differently, Unum provides Base Commissions to all brokers in connection with the sale of an insurance policy. Base Commissions are a fixed percentage of the policy premium, and include a one time, first year flat amount for each policy sold. Base Commissions are paid by Unum to your broker as long as they remain the broker of record on your policy.

A broker may also qualify for Supplemental Commissions paid by Unum. For group insurance products, Supplemental Commissions may be paid in an amount equal to a fixed percentage of total group insurance premiums. The Supplemental Commission percentage may range from 0% to 5% of total premiums paid. The exact

General Coverage Highlights and Descriptions

Supplemental Commission percentage payable to any broker is based upon the total dollar amount of all eligible insurance premiums or number of group policies that the broker had in force with Unum in the prior calendar year. Supplemental Commissions may be calculated differently for other insurance products. The premium you pay is not impacted whether or not your broker receives Supplemental Commissions.

If you would like additional information about the range of compensation programs our company offers for your group insurance policy or any other Unum insurance product, you can find more details at www.unum.com. Should you have other questions not addressed by the website, including the Supplemental Commission percentage applicable to your broker, or if you want to speak to us directly about broker compensation, please call 1-800-633-7491