



# 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

- Short 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**.<sup>1</sup>



Unum serves **1 in 2 Fortune 100 companies**.<sup>2</sup>



Unum in the U.S. protects **38 million people** and their families.<sup>3</sup>



Unum pays out over **\$6 billion** in benefits each year.<sup>3</sup>

### UNUM REPRESENTATIVE

Paxton Weatherly  
Atlanta Sales Office

### FINANCIALLY STRONG

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

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

<sup>1</sup>Employee 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.

<sup>2</sup>Fortune, "Fortune 500 2021," (2021); Unum customer database, 2021.

<sup>3</sup>Unum internal data, 2023.

**Short Term Disability**

Class Number	Class Description
1	All Full-Time Employees

**Plan Design**

STD Class Number	1
Hours per Week	30.0
Waiting Period	1st of Month Following 30 Days Active Employment
Benefit Type	Voluntary
Benefit Amount	60.00%
Maximum Weekly Benefit	\$1,000
Minimum Weekly Benefit	\$25
Accident Elimination Period	14 Days
Sickness Elimination Period	14 Days
Duration (Weeks)	24
1st Day Hospital	Not Included
Pregnancy	Full
Definition of Disability	Residual
Pre-Existing Condition	3/12 Exclusion
Occupational Coverage	Not Included
Recurrent Disability	14 Days
Work Incentive Benefit (WIB)	Not Included
Survivor Benefit	Not Included
Portability	Not Included
EE Contribution	100% Employee Paid
Tax Choice	Not Included

**STD Optional Features**

Continuation Layoff	Unum Standard
Continuation Leave of Absence	Unum Standard
8 Week C-Section	Included



## Short Term Disability

### Rates and Cost Information

The Definition of Weekly Earnings included in the STD contract is the basis used for calculating STD benefits. It is very important for the employer to match the weekly earnings definition to their payroll programs to ensure that employees receive adequate income protection in the event of a disability. Weekly 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 Period ..... 31 Days
- Minimum Participation ..... 20%

### Voluntary Short Term Disability

Age	Rate Per Covered Benefit	Quote Rate
< 25	\$10	\$0.490
25-29	\$10	\$0.540
30-34	\$10	\$0.540
35-39	\$10	\$0.540
40-44	\$10	\$0.540
45-49	\$10	\$0.540
50-54	\$10	\$0.540
55-59	\$10	\$0.790
60-64	\$10	\$0.990
65+	\$10	\$1.550

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

## Short Term Disability

### STD Coverage Highlights and Descriptions:

#### 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*

The insured is disabled when Unum determines that due to sickness or injury the insured is limited from performing the material and substantial duties of his/her regular occupation; and the insured has a 20% or more loss in weekly earnings due to the same sickness or injury.

#### 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.

## Short Term Disability

### Exclusions

The Policy will contain the following exclusions:

- Intentionally self-inflicted injuries
- Active participation in a riot
- Loss of professional or occupational license or certificate
- Commission of a crime for which the individual has been convicted
- occupational sickness or injury (however, Unum will cover disabilities due to occupational sicknesses or injuries for partners or sole proprietors who cannot be covered by Workers' Compensation plans)
- Pre-existing condition
- War, declared or undeclared, or any act of war
- Any period of disability during which you are incarcerated

### General Information Regarding Taxability

In general, the STD weekly payment will be taxable if:

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

In general, the STD weekly payment will not be taxable if:

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

### 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

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.

## 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).

## 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.

Unum is a registered trademark and marketing brand of Unum Group and its insuring subsidiaries

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 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](http://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.