

# Group Whole Life Insurance

## Benefits Proposal

This proposal has been prepared for:

Transport Workers Union of America

Presented by:

Aflac Group

Proposal State:

Texas

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Continental American Insurance Company (CAIC)  
A proud member of the Aflac family of insurers.  
Policy Form Series C60000

## Plan Description

Help your employees be prepared for LIFE. Aflac's life insurance is a smart investment for your employees to protect their family's financial freedom. The Aflac Group Whole Life plan is permanent life insurance with living benefits to help provide your employees and their families with a financial cushion when dealing with the loss of a loved one.

## Why Offer Whole Life Insurance?

Most employees don't consider the demand that funeral expenses and uninsured medical costs may have on family income and discussing life insurance may be a difficult conversation to have with loved ones.

Adding Aflac group Whole Life insurance to your employee's benefits package offers some assistance with those unexpected bills.

For more than 60 years, Aflac has been dedicated to helping provide individuals and families peace of mind and added financial protection when they've needed it most. The Aflac Group Whole Life product is just another innovative and affordable way to tailor your benefits package and help make sure your employees are well protected under our wing.

Features and Plan Provisions (specific provisions descriptions may vary by state)	
<b>Benefit Amounts</b>	Up to \$300,000 for Employee Up to \$100,000 for Spouse Up to \$25,000 for Dependent Children
<b>Coverage</b>	Face Purchase
<b>Guaranteed Issue Amounts</b>	<b>Employee:</b> Up to \$30,000 <b>Spouse:</b> Up to \$15,000 <b>Child:</b> \$10,000 Child Term Life Rider <b>Participation Requirement:</b> 0%
<b>Requirement for Group Billing</b>	25 payors
<b>Payment Method</b>	Bill Pay Facilitator-Direct Deposit
<b>Rate Guarantee</b>	Rates are based on age at the time of application and do not individually increase due to a change in age, health or individual claim
<b>Portability/Continuation</b>	Standard
<b>Eligibility</b>	Employee must work at least 16 hours per week
<b>Issue Ages</b>	<b>Employee:</b> 18-70 <b>Spouse:</b> 18-70 <b>Child:</b> 15 days - 25 years
<b>Certificate Effective Date</b>	Coverage is effective on date of the application
<b>Interest Rate</b>	4.5%
<b>Endows</b>	At age 120

## Plan Benefits

*(Descriptions of specific benefits may vary by state)*

### Benefits and Proceeds

Proceeds are defined as:

- The total of the benefits payable upon the insured's death and will be the sum of—
  - The amount of insurance in force;
  - Any insurance on the life of the insured provided by benefit riders;
  - Any premium paid that applies to a period of time beyond the certificate month in which the insured dies, less any certificate loan and loan interest; and
  - Any unpaid premium, except the first premium, that applies to a period before and including the certificate month in which the insured dies.

Any amount payable upon the insured's death or any other termination of the certificate will be paid in one sum unless otherwise agreed to. We will pay the proceeds to the beneficiary in one sum. The primary beneficiary is the first person to whom benefits are payable.

The proceeds can be left with us to earn interest. The withdrawal rights, the length of time we will hold the proceeds, and any future change of option are subject to our approval. Interest is guaranteed to be at least 2.0% per year compounded annually.

To the extent permitted by law, proceeds will not be subject to any claims of a beneficiary's creditors.

### Waiver of Premium Rider

This benefit waives the entire premium amount for employee coverage after the insured has been totally disabled due to bodily injury or disease for four consecutive months and continues throughout the duration of the disability. Any recurrence of a prior disability will be covered, provided the prior disability continued for at least six consecutive months, within 30 days of the recovery, and is due to the same or related causes. Premium will also be waived after loss of sight or limbs even though the insured may be able to engage in an occupation. Only employees, ages 18–55, are eligible to be issued this benefit, which terminates at age 60.

### Accidental Death Benefit Rider

This benefit provides an additional benefit equal to the insured's face amount if the insured dies within 90 days (0 days for groups situated in PA, 180 days for groups situated in OR and 365 days for groups situated in UT) of direct accidental bodily injuries. The maximum coverage available under this rider is \$300,000. Employees and spouses, ages 18-60, are issued this benefit.

### Accelerated Benefit Rider

The Accelerated Benefit is payable when the insured is diagnosed with one or more Qualifying Events:

We will pay a lump sum benefit of up to one-half of the death benefit. The owner may choose the amount of the Accelerated Benefit, subject to the following limitations:

- The maximum Accelerated Benefit is 50% of the eligible Death Benefit.
- The sum of the Accelerated Benefit under all certificates and riders issued by us on the life of the insured may not exceed \$225,000.
- The minimum Accelerated Benefit is \$5,000.

The owner may choose to take the Accelerated Benefit as a lump sum or as a monthly benefit.

- Upon payment of the lump sum benefit, all rights under this Rider will end and the Rider will terminate.
- The monthly benefit will be equal to 4% of the Whole Life Amount of Insurance, up to the maximum for this benefit. While the Rider is in force, the monthly benefit is payable for each month the Insured satisfies the criteria for a Qualifying Event. Proof of a Qualifying Event must be provided.

Employees and spouses are issued this benefit.

## Child Term Insurance Rider

The rider provides a \$10,000 benefit upon receipt of due proof death of the insured child while the rider is in force; and

- Before the expiration date; and
- Before the rider anniversary following the insured child's 26th birthday.

The insurance on any insured child may be converted to a whole life individual policy without evidence of insurability; however, the amount of the new policy will not exceed \$50,000.

Conversion will be:

- On the rider anniversary following the insured child's 26th birthday; or
- On the expiration date; or, if earlier
- On the death of the primary insured under the certificate.

The premium for the new policy will be the rate then in effect for the plan chosen for the then-attained age of the insured child and for the same premium class as the rider.

The amount of the new policy must be at least the minimum for the plan elected. The policy date will be the date of the application accompanied by the required premium, or the conversion date if later. Written request for conversion and payment of the required premium must be made within 31 days of the date of conversion and during the lifetime of the insured child.

## Cash Value

This plan provides a cash value. The cash value of this plan, if it is under a surrender value option, will be furnished on request. The benefit of the cash value may be obtained by certificate loan or by use of a surrender value option.

The amount of loan value available will be the cash value of this plan plus the cash value of any attached rider as of the next anniversary or the next premium due date, whichever is earlier; less:

- Any due and unpaid premium;
- Any existing certificate loan; and
- Any loan interest to the next anniversary.

Any due and unpaid deducted premium will be added to the certificate loan and will be subject to loan interest.

A certificate loan may be repaid while the plan is in force prior to the death of the insured. A partial repayment may not be less than \$25. If this plan is in force under surrender value option, the amount of loan, which was deducted, may be repaid only if the certificate is reinstated.

## Loans and Repayment

The owner may obtain a certificate loan. The certificate assigned to us is the only incidental security needed. We may postpone making a certificate loan for not more than six months from the date the application for the loan is received. Certificate loans used to pay premium on this plan may not be postponed.

A certificate loan may be repaid at any time during the insured's lifetime. If not repaid, the loan will be deducted as a single sum from any settlement or refund. If the loan equals or exceeds the cash value, the certificate will terminate 31 days after notice of termination has been mailed to the insured and to the assignee of record. A certificate loan outstanding when a surrender values option becomes operative will be deducted from the cash value. Such a loan may not be repaid or reinstated after that except as stated in the Reinstatement section of the certificate.

## Interest on Certificate Loans

When a loan is made, interest is deducted in advance to the end of the certificate year and is again due in advance on each certificate anniversary. If interest is not paid, it will be added to the principal and bear interest at the same rate. The interest rate is 7.4% in advance per year.

## Guaranteed Surrender Value Options

### **Elections of Surrender Value Options**

Not later than 60 days after the due date of the first unpaid premium and while the insured is living, the owner of the certificate may elect any of the surrender value options available: Cash Value, Paid-Up Insurance, and Extended Term Insurance.

The surrender value will be:

- The cash value on the premium due date; less:
- Any certificate loan and loan interest.

### **Surrender Value Options**

#### *Paid in Cash*

The owner may surrender the certificate for its surrender value. The insurance is then terminated and the surrender value will be paid in one sum to the owner.

Surrender will be effective on the date we received both original certificate and written request in a form acceptable to us. We may postpone payment for not more than six months from the date of surrender. If payment is deferred, any required interest will be paid as specified by state law.

#### *Paid-Up Insurance*

The certificate may be continued in force as Paid-Up Insurance. The amount of Paid-Up Insurance will be computed as a net single premium as of the due date of the first unpaid premium at the current age of the insured.

#### *Extended Term Insurance*

The Certificate may be continued in force as term insurance with no further premiums payable. The amount of Extended Term Insurance will be:

- The amount of insurance; less:
- Any certificate loan and loan interest.

The length of time the Extended Term Insurance continues will be computed as a net single premium as of the due date of the first unpaid premium at the then current age of the insured.

#### *Surrender of Paid-up or Extended Term Insurance*

The owner may surrender Paid-Up or Extended Term Insurance at any time for the current surrender value.

If the Paid-Up or Extended Term is surrendered within 31 days after the certificate anniversary, the cash value used in determining the surrender value will not be less than the cash value on that anniversary.

#### *Riders*

When a surrender value option becomes effective, all riders attached to the certificate will terminate unless otherwise provided in the rider.

## Premium Rates

### Employee Face Purchase Amounts Monthly Premiums

	Issue Age	\$20,000	\$40,000	\$50,000	\$75,000	\$100,000	\$200,000	\$300,000
	Non-Tobacco	25	\$17.23	\$31.47	\$38.58	\$56.38	\$74.17	\$145.33
35		\$23.30	\$43.60	\$53.75	\$79.12	\$104.50	\$206.00	\$307.50
45		\$39.44	\$75.86	\$94.09	\$139.62	\$185.16	\$367.34	\$549.50
55		\$76.13	\$149.27	\$185.83	\$277.26	\$368.67	\$734.33	\$1100.00
	Issue Age	\$20,000	\$40,000	\$50,000	\$75,000	\$100,000	\$200,000	\$300,000
	Tobacco	25	\$24.28	\$45.57	\$56.21	\$82.82	\$109.42	\$215.83
35		\$35.08	\$67.17	\$83.21	\$123.32	\$163.42	\$323.83	\$484.25
45		\$59.20	\$115.40	\$143.50	\$213.75	\$284.00	\$565.00	\$846.00
55		\$105.17	\$207.33	\$258.42	\$386.13	\$513.83	\$1024.67	\$1535.50

### Spouse Face Purchase Amounts Monthly Premiums

	Issue Age	\$5,000	\$10,000	\$20,000	\$25,000	\$40,000	\$50,000	\$100,000
	Non-Tobacco	25	\$6.56	\$10.12	\$17.23	\$20.79	\$31.47	\$38.58
35		\$8.07	\$13.15	\$23.30	\$28.38	\$43.60	\$53.75	\$104.50
45		\$12.11	\$21.21	\$39.44	\$48.54	\$75.86	\$94.09	\$185.16
55		\$21.29	\$39.57	\$76.13	\$94.42	\$149.27	\$185.83	\$368.67
	Issue Age	\$5,000	\$10,000	\$20,000	\$25,000	\$40,000	\$50,000	\$100,000
	Tobacco	25	\$8.32	\$13.65	\$24.28	\$29.60	\$45.57	\$56.21
35		\$11.02	\$19.05	\$35.08	\$43.10	\$67.17	\$83.21	\$163.42
45		\$17.05	\$31.10	\$59.20	\$73.25	\$115.40	\$143.50	\$284.00
55		\$28.55	\$54.08	\$105.17	\$130.71	\$207.33	\$258.42	\$513.83

The premium and product availability indicated in this proposal are subject to change as a result of final underwriting.

## Dependent Child Premium Rates

### Dependent Children/Grandchildren Individual Certificate Face Purchase

Issue Age	\$10,000	\$25,000
0	\$9.72	\$19.79
5	\$9.83	\$20.06
10	\$9.93	\$20.33
15	\$10.04	\$20.60
20	\$10.93	\$22.81

### Dependent Children Term Rider

- \$10,000 Blanket coverage
- Ages 15 days - 26 years
- \$5.98 per pay period

*No child can be covered for more than \$25,000 through a combination of separate certificate and child term rider*

## Potential Policy Values

	Issue Age	Insurance Amount	Cash Value at 65
Non-Tobacco	35	\$20,000	\$6231.40
	45	\$20,000	\$5087.00
	55	\$20,000	\$3024.20
Tobacco	35	\$20,000	\$7755.20
	45	\$20,000	\$6295.80
	55	\$20,000	\$3662.40

## LIMITATIONS AND EXCLUSIONS

### WHOLE LIFE EXCLUSIONS

If an insured takes his own life within two years (in North Dakota, one year) from the date of issue of his certificate, our liability will be limited to all premiums paid, without interest, less any certificate loan and loan interest.

Groups Situed in New Jersey: If an insured takes his own life within two years from the date of issue of his certificate or the certificate effective date, whichever is earlier, our will be limited to all premiums paid, without interest, less any certificate loan and loan interest.

For Groups situed in Washington: This exclusion is not applicable.

### ACCELERATED BENEFIT RIDER EXCLUSIONS

We will not pay the Accelerated Benefit until we receive proof of the insured's qualifying event and the following conditions are met:

- We have received the owner's written request for an Accelerated Benefit;
- We have received written consent from all irrevocable beneficiaries waiving their rights to any death benefit required to pay off the lien at the time of death. At our discretion (for groups other than those situed in New Jersey), we may require written consent from a spouse of the insured, or other beneficiaries, or any other person whom we believe to have a potential interest in the proceeds of the certificate; and
- We have received an assignment form making us the assignee of the certificate for the amount of the lien.

The rider is not intended to provide health, nursing, home or long term care insurance. Benefit payments may affect the insured's eligibility to receive Medicaid and other government benefits or entitlements.

Receipt of accelerated benefits may be taxable. The insured should consult with his personal tax advisor. This benefit is subject to an administrative expense charge not to exceed \$250 (\$100 for groups situed in Florida, \$150 for groups situed in Texas, and not applicable for groups situed in Montana).

We will not pay the Accelerated Benefit:

- If either the owner or the insured is required by a government agency to use the Accelerated Benefit in order to apply for, obtain, or otherwise keep a government benefit or entitlement;
  - Groups situed in Connecticut: This exclusion is not applicable
- If either the owner or the insured is required by law to use the Accelerated Benefit to meet the claims of creditors, whether in bankruptcy or otherwise;
  - Groups situed in Connecticut: This exclusion is not applicable
- If the qualifying event results from intentionally self-inflicted injuries;
  - Groups situed in Connecticut and New Jersey: This exclusion is not applicable
- If the certificate is in force as either extended term insurance or reduced paid-up insurance;
- If the certificate is legally or equitably assigned, except to us as security for the lien;
  - For Groups situed in Maryland: Without written consent from the assignee if the Certificate is legally or equitably assigned, except to the Company as security for the lien;
- If any part of the Death Benefit under the certificate is contestable;
- If the certificate is not in force or the Death Benefit under the certificate is not payable for any reason.
- If the amount of the Accelerated Benefit, plus the amount of all Accelerated Benefits on the insured from all certificates issued by us, exceeds \$250,000;
  - Groups situed in New Jersey: This exclusion is not applicable

or

- If there has already been an Accelerated Benefit paid on the certificate.

## **ACCIDENTAL DEATH RIDER EXCLUSIONS**

The Accidental Death Benefit provided will not be payable if the insured's death results from any of the following causes:

- War, or an act of war (including any armed aggression resisted by the armed forces of any country or combination of countries), whether such war is declared or undeclared;
  - Groups situated in North Carolina and Florida: War does not include acts of terrorism
  - Groups situated in Oklahoma: War or acts of war, declared or undeclared, when serving in the military or an auxiliary unit thereto;
- Suicide;
  - Groups situated in South Dakota: Suicide within two years from the date of issue and suicide while sane;
- Any bodily or mental infirmity (groups situated in South Dakota, bodily infirmity only) or disease, except a bacterial infection occurring with or through an accidental injury;
- Committing or attempting to commit an assault or felony;
- The voluntary taking of any drug, medication, or sedative unless as prescribed by a physician; or any poison (except for food poisoning), including carbon monoxide;
  - Groups situated in Connecticut, Montana, and South Dakota: this exclusion is not applicable
  - Groups situated in Washington D.C.: The voluntary use of illegal drugs; the intentional taking of over the counter medication not in accordance with recommended dosage and warning instructions; or the intentional misuse of prescription drugs;
  - Groups situated in Illinois: The voluntary taking of any drug, medication, or sedative unless as prescribed by a physician or due to purely accidental circumstances; or any poison (except for food poisoning), including carbon monoxide;
- Operating, riding in, or descending from any kind of aircraft, or subsequent drowning, if the insured is a pilot, officer, or member of the crew, is in an aircraft which is being flown for the purpose of descent from such aircraft while in flight, is giving or receiving any kind of training or instructions; or has any duties aboard such aircraft.
  - Groups situated in New Hampshire: Operating, riding in, or descending from any kind of aircraft, or subsequent drowning from a crash over a body of water, if the insured is a pilot, officer, or member of the crew; or is in an aircraft which is being flown for the purpose of descent from such aircraft while in flight; or is giving or receiving any kind of training or instructions; or has any duties aboard such aircraft.
  - Groups situated in Texas: Operating, riding in, or subsequent drowning from, any kind of aircraft, if the insured is a pilot, officer, or member of the crew; or is giving or receiving any kind of training or instructions; or has any duties aboard such aircraft.
- Groups Sitused in Texas: Skydiving

## **WAIVER OF PREMIUM RIDER EXCLUSION**

No benefit will be provided by the rider if a total disability is caused by:

- An intentionally self-inflicted injury; or
- Results from an act of war (declared or undeclared) while the insured is in the military service of any country.

Approval for Waiver of Premium requires:

- That the total disability be caused by bodily injury or by disease;
- That the total disability has continued for four consecutive months; and
- That the rider and certificate were in force when the total disability began.

## **CHILDREN'S TERM INSURANCE RIDER EXCLUSIONS**

The Children's Term Insurance Rider is part of the certificate and is subject to all certificate provisions that are not inconsistent with it. It is issued in consideration of the application for and the payment of premiums for this rider.

## Notices

This proposal is a brief description of coverage, not a contract. Request a sample master policy and read carefully for exact plan language, terms, and conditions.

If this coverage will replace any existing individual policy, please be aware that it may be in your employees' best interest to maintain their individual guaranteed-renewable policy.

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