



ADMINISTRATION MANUAL

Group Insurance Program



**GROUP INSURANCE PROGRAM
GROUP PRODUCTS**

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WELCOME TO USABLE LIFE!

USAbLe Life's ultimate goal is to provide excellent service. We feature nationwide service provided by professional service representatives who have access to state-of-the-art information systems, which allows us to respond immediately to your questions.

USAbLe Life is committed to providing our insureds with the best in professional experience while providing high-quality products to meet your employees' financial needs at times when their obligations are the greatest.

USAbLe Life's service is built on a strong financial foundation. For many years, our consistently high industry ratings have mirrored our financial strength and our long-term commitment to exceeding our customers' expectations.

USAbLe Life welcomes you to our family of customers and thanks you for the opportunity to provide your employees with our comprehensive benefit plans.

IMPORTANT NOTE: This manual includes information on benefits for Life, Accidental Death & Dismemberment, Short Term Disability and Long Term Disability. Not all benefits may be applicable to your group. Please check your Group Insurance Policy or Certificates of Insurance to review your actual benefits.

INTRODUCTION

This administrator's manual has been designed to help you understand and administer your employee benefit program through USABLE Life. All rights and benefits of your group insurance plan are governed by your Group Insurance Policy.

This manual contains valuable information and answers to many of your "How to..." questions, such as adding and/or deleting employees; changing employees' coverage; filing claims; and billing concerns.

If you cannot find the answers you need for your enrollment, administration, or billing questions in this manual, please contact USABLE Life.

USABLE Life
PO Box 1650
Little Rock, AR 72203-1650

Note: For Claim questions contact USABLE Life -- see page 15.

DUTIES OF THE GROUP POLICYHOLDER

You, as the employer, in the role of the group policyholder or participating employer for your employees' USABLE Life benefits, have the following responsibilities:

1. To secure and submit to USABLE Life applications from all new employees as they become eligible for coverage.
2. To distribute to enrolled employees the certificates provided to you by USABLE Life.
3. To report all changes to USABLE Life including:
 - a. changes in name;
 - b. changes in coverage;
 - c. changes in dependent status;
 - d. termination of coverage and reason.
4. To process billing statements for USABLE Life benefits or process self-administered statements.
5. To assist insureds in filing claims.
6. To advise insureds of conversion rights.
7. To keep an updated copy of beneficiary information on each employee.

PLEASE REMEMBER

1. Anything relating to your USABLE Life employee benefit program should be mailed directly to USABLE Life at the address shown in the Introduction on page 2 of this manual.
Exception: Claim materials should be mailed to USABLE Life as indicated on page 15.
2. Please include your company's Group Number and Company Name for proper identification on all correspondence and forms.
3. Keep a copy of all USABLE Life correspondence and forms for your files. We suggest that you keep a file on each employee or keep any correspondence in your employees' personnel file, which relates to the employees' coverage with USABLE Life.

COMMON DEFINITIONS

The following terms are used frequently in correspondence and policy language concerning your USABLE Life employee benefit programs:

Employee: Persons employed in connection with the business operations for your company for the minimum number of hours per work week as specified in your group insurance Policy or employer participation agreement.

Persons who are not actively at work for your company for the minimum number of hours may **not** be eligible for participation in your USABLE Life employee benefit programs. Please contact us if you have any questions or concerns regarding eligibility.

Actively at Work: The employee reports for work at his usual place of employment and is able to perform all the duties of his regular occupation for the entire normal work day.

Persons who are not actively at work for your company for the minimum number of hours are not eligible for participation in your USABLE Life employee benefit programs. Please contact us if you have any questions or concerns regarding eligibility.

Exception: If an employee is not actively at work on the date his insurance or any increase in insurance is scheduled to take effect, it will take effect on the day he returns to active full time work and for full pay. If the employee's insurance is scheduled to take effect on a non-working day, his active work status will be based on the last working day before the scheduled effective date of his insurance.

Dependent: The employee's spouse and unmarried child or children. If a husband and wife work for the same company, they each must be insured as an employee and their eligible children may be insured as dependent of only one of them.

COMMON DEFINITIONS (continued)

Dependent children include any unmarried children who are less than 19 years of age (23, age may vary by state of issue, years old, if a full-time student in an accredited school) – if they are not insured as an employee. The term child also includes a legally adopted child, step-child, foster child, or any child who lives with the employee and depends on him for more than 50% of his support.

Eligibility Date:

For Employees: Employees are eligible for insurance after they have completed the waiting period specified in the Schedule of Benefits of your group insurance Policy or employer's participation agreement.

For Dependents: The eligibility date for dependents is the same as employees. If the employee acquires dependents thereafter, each of these dependents will become eligible on the date of marriage, birth, adoption or dependency of a child.

Elimination Period:

This definition applies to disability benefits. The number of consecutive days of total disability before disability benefits become payable.

HOW TO ENROLL NEW EMPLOYEES

1. The USAble Life Employee Application and Change Form (1000) should be used for all group benefits. The form should be completed for each new employee. The best time to enroll new employees is when they are hired.
 - Have the employee complete the Employee Application and Change form and make sure all questions are fully answered and that the answers are legible and written in ink.
 - The employee must sign and date the form. Do not accept forms that have crossed-out or whited-out information.

Important Note: All enrollment forms must be completed properly. Copies of enrollment forms are to be maintained in your office with your employee records. You will be required to produce the form in the future should an employee file a claim.

2. It is important that beneficiary designations be made and expressed accurately on the enrollment form. The relationship of the beneficiary must also be specified (if no relationship exists, specify "friend").

A primary and contingent beneficiary should be listed.

For new coverage with USAble Life, or when changing a beneficiary under existing coverage, this designation revokes any existing beneficiary designation you have made.					
PRIMARY BENEFICIARY(IES) (Will receive proceeds if living at death of Employee):					
Name (Last, First, MI)	Address	SSN	Birthdate	Relationship	Percentage
John M. Doe	2108 Maple St	xxx-xx-xxxx	10/4/41	Father	100
Total must equal 100% = 100					
CONTINGENT BENEFICIARY(IES) (Will receive proceeds if Primary Beneficiary(ies) are not living):					
Name (Last, First, MI)	Address	SSN	Birthdate	Relationship	Percentage
Janie Johnson	472 Oak St.	xxx-xx-xxxx	1/7/69	Sister	50
Bobby Doe	2108 Maple St	xxx-xx-xxxx	4/12/77	Brother	50
Total must equal 100% = 100					

HOW TO ENROLL NEW EMPLOYEES (continued)
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3. If your company pays the entire cost of the employees' insurance, all eligible employees must be enrolled.
4. If your company does not pay the entire cost of the employee's insurance, any employee who does not wish to participate in your group insurance program should complete the Declination of Coverage section of the Employee Application. The declination should be completed for every employee who declines to participate.

EFFECTIVE DATE OF EMPLOYEE'S INSURANCE

1. If your employees do not contribute toward the cost of their insurance (the employer pays the entire premium), the insurance shall become effective the first day of the policy month following the employee's eligibility date (see page 6).
2. If your employees do contribute toward the cost of their insurance, insurance will become effective as follows:
 - a) When an employee enrolls within 31 days after becoming eligible, the insurance will become effective on his eligibility date, as specified in your group insurance contract.
 - b) If an employee does not enroll within the 31 days after becoming eligible, then satisfactory Evidence of Insurability is required (Form EOI).
 - c) The insurance for employees, and dependents, if included, will become effective the first of the month following approval by USAble Life's Underwriting Department. It is important that the enrollment form and the Evidence of Insurability form be forwarded together to USAble Life. Once a decision is made, you will be advised in writing and the enrollment form will be returned to you.

EFFECTIVE DATE OF EMPLOYEE'S INSURANCE Cont'd

- d) If application for reinstatement is made by an employee whose insurance had terminated because of failure to make the required contribution or because he previously terminated or Declined his insurance while in an eligible class, the insurance for such employee will become effective in accordance with paragraph 2b above.
3. **Delayed Effective Date:** If, due to illness or injury, the employee is not at work on the date on which his insurance or an increase in benefits would otherwise become effective, his insurance (and that of his dependents, if any) will not become effective until the date the employee returns to active work full time and for full pay.

CERTIFICATE OF INSURANCE BOOKLETS

USAble Life will supply you with Certificate Booklets to provide to your insured employees. It is your duty as group policyholder or participating employer to distribute these booklets to employees as soon as possible after the employee's effective date.

Additional supplies can be ordered from USAble Life's Customer Service Department in Little Rock as needed (see page 14 for instructions on how to order.)

EFFECTIVE DATE OF DEPENDENTS' INSURANCE

Dependent Life Benefit (if included)

Dependent's coverage will be effective on the same day as the employee's coverage (as explained under Effective Date of Employee's Insurance on page 8), if the employee indicates on his application that:

EFFECTIVE DATE OF DEPENDENTS' INSURANCE Cont'd

1. he/she is married, and/or
2. he/she has dependent child/ren.

Dependent Life Benefit (if included)

If a dependent is disabled by illness or injury on the date the insurance would otherwise become effective, the insurance on such dependent will not become effective until the date the dependent has completely recovered from the disability. In no event will the insurance of a dependent become effective prior to the effective date of the insurance of the involved employee.

HOW TO REPORT CHANGES

Change of Dependent Status

A dependent becomes eligible when there is a qualifying event. Qualifying events that relate to dependent coverage are marriage, birth, or adoption. Therefore, you must be advised if an employee acquires dependents after his effective date. This is done by having the employee complete the Employee Application and Change Form and attaching this form to his/her original enrollment form in your files.

The Employee Application and Change Form should be completed indicating a Dependent Status change and the appropriate dates given, such as:

1. Date of Marriage and Spouse's Birthdate, or
2. Child's Birthdate
3. Child Adoption

You should also be notified when an employee no longer has eligible dependents and change your records by having the employee complete this same form advising either date of divorce, or spouse's death, or date child marries or reaches maximum age for coverage.

EBILLING SOLUTIONS

If your company selected online billing and administration, you will receive an email from USABLE Life's Ebilling Administrator with a link to instructions on Ebilling. If you are interested in participating in Ebilling Solutions please contact our Customer Service Department at 1-800-370-5856 or log onto www.usablelife.com for a demonstration.

<p style="text-align: center;">MONTHLY PREMIUM STATEMENT (if your group is not Self Administered)</p>
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1. Each month you will receive your bill in advance of the premium due date. The bill will list each employee by employee ID number, name, amount of premium for each coverage, and total premium.
2. When you receive your bill:
 - a. Verify all persons listed on the bill are active employees and are eligible to participate in this program.
 - b. To Pay For New Insureds Not Listed On The Billing: Write Names, Social Security numbers and premiums amounts at the bottom of the bill and add total additional premium to the Total Due. Please ensure that applicants have turned in an Enrollment Form.
 - c. If an enrollment form does not reach US Able Life in time for the employee to appear on the bill which corresponds to the employee's effective date, then the employee will be placed on the first possible bill following receipt of the application and approval.

In this case US Able Life will bill "arrears" for any previous month(s) of coverage. If you find an employee listed on a bill more than one time, this indicates that the premium for his coverage is being billed in "arrears." Each time that he is listed indicates a previous one month period for which he was insured but not billed.

Back-billed charges must be paid. If you have previously paid the premium for new employees by writing them in on the prior bills, then please note this. However, if you have a question regarding these charges, please contact our Group Maintenance Department immediately.

- d. For employees who terminate coverage, draw a line through the amount of premium shown and mark the date of termination opposite the person's name. (If the termination is due to death, refer to the Claims Procedures on page 16.) Below the line on your premium billing which states the total amount due, subtract the amounts billed for any person who has terminated coverage. Subtract only amounts billed if the employee terminated prior to the premium due date noted on the top right section of the billing statement.

MONTHLY PREMIUM STATEMENT Cont'd
(if your group is not Self Administered)

3. Mail your check to:

USAbLe Life
PO Box 1861
Little Rock, AR 72203-1861

Important Note: Payment of premium on ineligible or not actively at work employees or dependents does not provide coverage.

If there is a credit or shortage on your bill that you disagree with or do not understand, please contact our Premium Accounting Department.

SELF-ADMINISTERED BILLING

SELF – REPORTING PREMIUMS TO USABLE LIFE

1. As a Self Administered group, you will maintain all employee eligibility information in your office. You are aware of additions, terminations, and other changes to your insurance program as they occur. Self Administration allows you to immediately adjust for these changes, without having to report them USAbLe Life.
2. You are not required to submit new enrollment information, enrollment changes such as class or salary, terminations, etc. These changes should be reflected in your internal records. You will be asked to provide this information at a later date, in the event of a claim for benefits. Prior to renewal of you policy, you will be asked to provide USAbLe Life's Group Underwriting Department with a census listing the current participants in your insurance program.
3. You will not receive a premium statement from USAbLe Life. Your administration kit includes a supply of premium reporting statements or a self-reporting diskette for you on your personal computer. These statements will be used to calculate the premium due and payable to USAbLe Life. Using your internal company data, such as payroll records, you are required to report premium due, number of employees covered and total covered volume on a monthly basis.

Note: We welcome data on any form you may produce, provided it includes all necessary information by line of coverage.

CONVERSION OF GROUP LIFE INSURANCE BENEFITS

When an employee terminates employment or otherwise becomes ineligible for your group's life insurance program with USAble Life, he may convert his life insurance benefits to an individual policy. Employees may convert all or a part of their group life insurance coverage as limited by the group insurance contract. The new policy will become effective on the first day following the expiration of the 31 day conversion period. Disability and Accidental Death and Dismemberment (AD&D) coverage may not be converted. (However, if termination is due to disability he/she may be eligible for extended insurance benefits, please refer to Claim Procedures -- Extended Life Insurance Benefits -- page 21)

It is your responsibility as the group policyholder or participating employer to provide written notification to your employee of his right to convert. A "Notice of Conversion Privilege for Group Life Insurance" (Form CR-NOTICE) has been developed for your use in complying with this requirement. This form should be mailed to the employee's last known address at the time of termination.

Conversion will be to a life insurance policy subject to the terms of your group's master policy conversion privileges described in your group insurance contract. This conversion policy will be issued without medical examination. The premium rate for the individual life policy will be based on the employee's age at nearest birthday. Rates may be obtained by contacting USAble Life's Customer Service Department.

Employees must make written application for conversion to USAble Life. This request for conversion together with the first full premium payment must be received by USAble Life within 31 days of termination of employment or ineligibility.

It is important that your employees read their Certificates of Insurance and understand the Conversion Provisions, as we are unable to make any exceptions for applications received after the expiration dates listed in your group insurance Policy. Please call the USAble Life Customer Service Department if you have any questions at 1-800-370-5856.

HOW TO ORDER SUPPLIES

For all forms, please send orders for supplies to USABLE Life at the Home Office in Little Rock, Arkansas. Supplies should be ordered using our supply requisition form (Form SupReq). Be sure to include your group number, group name, form name and number (located in the bottom left hand corner of most forms), and the quantity needed. You may transmit your order via facsimile to (501) 378-3333. You may also download and print forms by going to the USABLE Life website - www.usablelife.com. Simply go to Download Forms, click on your state of residence, and choose the appropriate product and type of form needed.

A WORD ABOUT CLAIMS . . .

The Claims Staff of USAbLe Life strives to give you, our customer, professional and efficient service when handling claims for your employees. You can assist us in this effort by timely submission of claims information and by reviewing claim forms for completeness and accuracy before mailing them to us.

The following information gives step-by-step instructions on how to complete each type of claim form as well as completed sample forms for your reference.

Feel free to call us if you have questions or need assistance in the completion of a claim form at:

USAbLe Life Claims Department
Telephone (501) 375-7200 or (800) 648-0271
P O Box 1650, Little Rock, AR 72203-1650

When contacting us regarding a claim, we will need to know the type of claim, state where your company is located and the employer name in order to effectively direct your call.

LIFE INSURANCE BENEFITS CLAIMS PROCEDURES
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How To File a Claim for Life Insurance/AD&D Benefits:

Death of an Insured Employee

- 1) As the Employer, complete the statement on the front of the Proof of Death claim (Form CL-PD) and attach a certified death certificate.

Note: If the death is due to suicide, homicide, or accidental means, a copy of the investigating officer's report is also required. A toxicology report may be necessary if testing was performed.

- 2) Obtain a signed Authorization to Obtain Information from the next-of-kin.
- 3) Obtain a completed Beneficiary's Statement from the designated beneficiary on file. If more than one beneficiary survives the insured, have each complete a Beneficiary Statement.
- 4) Submit the above documents and the original enrollment application form with any subsequent change forms to USAble Life.

Death of an Insured Dependent

Complete the Employer's Statement and have the insured employee complete the Employee's Statement on the reverse side of the Proof of Death claim (Form CL-PD), attach a certified copy of the death certificate and a photocopy of the insured employee's enrollment application and any subsequent change forms.

LIFE INSURANCE BENEFITS CLAIMS PROCEDURES (Continued)
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How To File a Claim for Life Insurance Benefits

Accidental Dismemberment Benefits (available on employee only)

- 1) As Employer, complete the statement on the front of Statement of Claim - Group Accident Insurance (Form CL-VADD), and attach a certified death certificate.
- 2) Forward claim form to the insured employee for completion of the Claimant's Statement and Attending Physician's Statement.

Note: If the accident was investigated by law enforcement authorities, a copy of the investigating officer's report should be attached to the claim form. A toxicology report may be necessary if testing was performed.

- 3) The completed Statement of Claim - Group Accident Insurance should be mailed to US Able Life.

Assignment of Life/Accidental Death Benefits

The life insurance and accidental death benefits of our policies may be assigned to a funeral home by the insured employee (dependent life) or an adult beneficiary of a policy to assist in payment of the final expenses for an insured or dependent. *If an assignment is executed, the assignment document must be submitted with the claim form and death certificate when returned to US Able Life.* Questions regarding the amount of coverage and beneficiary designation should be directed to Customer Service Department at (800) 370-5856.

SHORT TERM DISABILITY CLAIMS PROCEDURES
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How To File a Short Term Disability Claim

- 1) The insured employee must complete the Employee's Statement on the Statement of Claim - Short Term Disability Benefits claim (Form CL-STD). The Authorization to Release Medical Records (Form CL-HIPPA-AUTH) should also be completed and will aid us in obtaining needed information in a timely manner. It is very important that all questions and the Authorization to Obtain Information are completed and signed. Incomplete forms may require us to return them to the employee and will result in a processing delay.
- 2) The insured's physician must complete the Attending Physician's Statement on the reverse side of the Statement of Claim - Short Term Disability Benefits claim form.
- 3) As the employer, complete the Employer's Statement under the Attending Physician's Statement on the reverse side of the Statement of Claim - Short Term Disability Benefits claim form. Please note: If the disability is work related a copy of the Workers Compensation claim decision will need to be submitted along with the US Able Life claim form.
- 4) Mail form to:

US Able Life
Attention: Claim Department
P O Box 1650
Little Rock AR 72203-1650
Fax: 501-399-3806

Claim Payments

Disability claims are processed daily. Weekly payments are computer generated for a payment period of Sunday through Saturday. Payments are mailed on Mondays or the first business day of the week as long as the employee's disability is medically supported and certified by the physician up to the maximum duration as defined in the Schedule of Benefits.

SHORT TERM DISABILITY CLAIMS PROCEDURES (Continued)
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Medical Updates

For continuing disabilities, an Update Form - Short Term Disability (Form CL-STD-SP) is required usually every 4-8 weeks depending on the diagnosis and prognosis for a particular disability. These forms DO NOT require an employer's statement and are mailed directly to the employee's home address for completion by the Attending Physician. The statement must be returned as indicated in order to avoid interruption of benefit payments.

When Your Employee Returns to Work

When your employee returns to work after receiving short term disability benefits, please contact USABLE Life at 800-648-0271 or 501-375-7200 to advise us **immediately after the employee returns to work to avoid overpayment of benefits.**

FICA Withholding

The Social Security Act (H.R. 4331) requires insurance companies to withhold FICA taxes from disability income payments. FICA taxes will be withheld in the same proportion as the employer's premium contribution or the employees pre-tax contribution. For example: The employer pays 50% of the premium for short term disability coverage, and the employee pays 50% of the premium for short term disability with pre-tax dollars. FICA taxes will be withheld on 100% of the disability payment.

We will notify the employer of the amount withheld on each employee so that the employer can report and deposit the applicable matching employer's contributions. These reports will be provided to the employer on a bi-weekly, quarterly, and annual basis. Information on the annual report should be included on your employees' W-2 forms in box 13. Earnings need to be included under the Federal Wage box also on the W-2, box 1.

Questions on your FICA reports should be addressed to USABLE Life's Finance Department at (501) 375-7200 or (800) 648-0271, and ask for the Tax Manager.

LONG TERM DISABILITY CLAIMS PROCEDURES

How To File a Long Term Disability (LTD) Claim

Approximately 30 days before the end of the elimination period; the initial LTD Claim should be filed:

- 1) As the employer, call USABLE Life to have a claim form, and all related forms, mailed to your business. Separate and send these forms with the employee's Job Description and other applicable documents to the USABLE Life address on the claim form.

Give the remaining portions of the claim form to the employee for completion.

- 2) The employee should sign and date the Employee's Authorization for Release of Information and the Employee's Disability Benefits Application and submit both forms to his attending physician.
- 3) The attending physician should complete the Attending Physician's Statement and return this statement, the employee's statement and authorization to the USABLE Life address on the claim form.

<p style="text-align: center;">EXTENDED LIFE INSURANCE BENEFITS (WAIVER OF PREMIUM) APPLICATION PROCEDURES</p>

If your group insurance contract contains an extended life insurance benefits (Waiver of Premium) provision (as shown on the master application or participation agreement in your group insurance Policy), we will continue an insured employee's group term life insurance benefits without premium payment as long as he remains totally disabled under the terms and provisions of your group insurance contract and in accordance with the reductions and terminations found on your Schedule of Benefits and other policy provisions. This continuation will be provided without premium payment for the duration specified in your group insurance contract. Accidental death, dismemberment, disability or any supplemental coverage cannot be extended and terminate in accordance with the provisions of you group Policy.

However, total disability must begin before a certain age; must have continued for at least six (6) months without interruption during which time premiums must be paid; and proof of total disability must be given no later than 12 months after the last day worked.

For employees who become disabled after the age specified in your group insurance contract please refer to the Conversion Privilege provisions of the Certificate of Insurance.

How to File for Extended Life Insurance Benefits

- 1) As the employer, complete the Employer's Statement of the Application for Extended Life Insurance Benefits (Form CL-WAIVER) and forward the completed form to your employee.
- 2) The employee and his attending physician must complete the Employee's Statement; Authorization to Attain Medical Information; and Attending Physician's Statement (Form numbers CL-WAIVER & CLHIPPAAUTH). The completed form should then be sent to the US Able Life Claims Department.
- 3) When the claim has been adjudicated, the employer and the employee will receive written notice of our decision. Periodic updates verifying disability will be requested directly from the employee as provided in your group insurance contract.

<p style="text-align: center;">EXTENDED LIFE INSURANCE BENEFITS (WAIVER OF PREMIUM) APPLICATION PROCEDURES (Continued)</p>

IMPORTANT NOTICE:

If your group life contract should terminate for any reason, or employees of a certain class become ineligible for coverage, employees who have been approved for waiver of premium benefits may be adversely affected. Some employees may be eligible for conversion to an individual policy, which will require premium payments after termination under your group insurance contract. This depends on the actual terms and provisions of your group contract. Please check your group insurance contract or call US Able Life for information in the event you are considering a change in your group life insurance plan.