



EXHIBIT
"A"

Michael J Langford
Account Executive
Aetna Life Insurance Company
2777 N. Stemmons, F730
Dallas, TX 75207
469-804-4337

November 10, 2015

Mr. Jay Light
Benefits Manager
City of Round Rock
231 E. Main Street
Round Rock, TX 78664

Re: City of Round Rock - Confirmation of Products and Services and Fully Insured Rates

Jay,

Thank you for selecting Aetna and we look forward to continuing our business relationship with the City of Round Rock. Based on our original proposal and subsequent discussions, we have outlined the products and services City of Round Rock has purchased for the plans effective January 1, 2016. Please review and confirm that this information accurately reflects the City of Round Rock's understanding. If you have any questions, you may contact me to discuss any necessary changes.

Coverages and Financial Arrangements

The following illustrates the funding arrangements by line of coverage:

Coverage	Funding Arrangement / Pooling Point
Basic Life	Prospectively Rated
Supplemental Life	Prospectively Rated
Dependent Life	Prospectively Rated
AD&D Ultra	Prospectively Rated
Short Term Disability	Prospectively Rated
Long Term Disability	Prospectively Rated

Fully Insured Rates

Based on the coverages awarded and package of services selected from Aetna, the agreed-upon monthly fully insured rates for each of the subgroups with differing rate schedules are as follows:

Life Coverages	Monthly Rate Per \$1,000	Rate Guarantee Period
812	\$0.104	36 month

Supplemental Life Coverages, Employee & Spouse	Monthly Rate Per \$1,000	Rate Guarantee Period
Age Band		36 Months
0 - 19	\$0.050/\$1,000	
20 - 24	\$0.050/\$1,000	
25 - 29	\$0.050/\$1,000	
30 - 34	\$0.060/\$1,000	
35 - 39	\$0.090/\$1,000	
40 - 44	\$0.140/\$1,000	
45 - 49	\$0.220/\$1,000	
50 - 54	\$0.420/\$1,000	
55 - 59	\$0.660/\$1,000	
60 - 64	\$0.720/\$1,000	
65 - 69	\$1.330/\$1,000	
70 - 74	\$2.708/\$1,000	
75 +	\$7.778/\$1,000	

Dependent Child Life Coverages	Monthly Rate Per \$1,000	Rate Guarantee Period
244	\$0.093/\$1,000	36 month

Short-Term Disability Coverages	Monthly Fees / Rates	Rate Guarantee Period
181	\$0.289	36 months

Long-Term Disability Coverages	Monthly Fees / Rates	Rate Guarantee Period
812	\$0.160	36 months

The rates shown above are contingent upon the conditions outlined in our final proposal (including the Rates, Plan Design and Quotation Assumptions sections) and the most recent version of the Implementation Decisions and Issues document.

Agent, Broker, or Consultant Compensation

Aetna has various programs for compensating agents, brokers and consultants. If you would like information regarding compensation programs for which your agent, broker, or consultant is eligible, payments (if any) which Aetna has made to your agent, broker, or consultant; or other material relationships your agent, broker, or consultant may have with Aetna, you may contact your agent, broker, or consultant; or your Aetna account representative. Information regarding Aetna's programs for compensating agents, brokers, or consultants is also available at www.aetna.com.

Terms of Rate Guarantee

The rates are guaranteed for the rate guarantee period, as long as there is little difference between the information submitted on that date and the information used to prepare this quotation. During the guarantee period, we may recalculate the quoted rates if:

- The participation requirements are not met;
- There is a change in the benefits plan, or account structure;
- The number of participating lives or volume changes by more than 10% by line of coverage, positive or negative; based on the number of lives that was used for this proposal response;
- The contract holder terminates the contract.

Costs for special services, those not included or assumed in the proposed pricing are billed directly or charged at year-end.

Please let us know if you have any questions or concerns regarding the information outlined in this letter and the attachments. We appreciate City of Round Rock's business and look forward to a successful plan implementation.

Sincerely,

Michael J Langford

Acceptance for City of Round Rock

By: _____

Title: _____

Date: _____

Account Executive
Aetna Life Insurance Company

cc: David Gibson
Jim Crombie
Amanda Lee
Aaron Guice
Corey Crews
Sandy Kennedy
Bryan Southall

LIFE COMPARISON

Estimated Gross Payroll:	\$48,681,564	Estimated Costs
CURRENT w/Aetna:	.104 per \$1,000 of Payroll	\$60,754.59
2016 w/Aetna	.083 per \$1,000 of Payroll	\$48,486.84
	Difference:	\$12,267.75

AD&D Coverage

Estimated Gross Payroll:	\$48,681,564	Estimated Costs
CURRENT w/Aetna:	.02 per \$1,000 of Payroll	\$11,683.58
2016 w/Aetna	.02 per \$1,000 of Payroll	\$11,683.58

LTD COMPARISON

Estimated Gross Payroll:	\$48,681,564	Estimated Costs
CURRENT w/LFG:	.17 per \$100 of Payroll	\$82,758.66
2016 w/Aetna	.16 per \$100 of Payroll	\$77,890.50
		Difference: \$4,868.16



Basic Life and AD&D Rates sold with Optional Life*

Benefit Name	Lives	Rate	Volume	Monthly Premium
Basic Life*	812	\$0.083 /\$1,000	\$44,618,600	\$3,703
Basic AD&D Ultra	812	\$0.020/\$1,000	\$44,618,600	\$892

Optional Life Rates*

Benefit Name	Age Bands	Lives	Rate	Volume	Monthly Premium
Optional Life	0 - 19	0	\$0.050/\$1,000	\$0	\$0.00
	20 - 24	4	\$0.050/\$1,000	\$328,000	\$16.42
	25 - 29	13	\$0.050/\$1,000	\$1,136,000	\$56.86
	30 - 34	46	\$0.060/\$1,000	\$6,277,000	\$376.72
	35 - 39	72	\$0.090/\$1,000	\$12,203,000	\$1,097.25
	40 - 44	67	\$0.140/\$1,000	\$10,885,000	\$1,523.54
	45 - 49	52	\$0.220/\$1,000	\$7,493,000	\$1,647.84
	50 - 54	38	\$0.420/\$1,000	\$3,890,000	\$1,633.41
	55 - 59	17	\$0.660/\$1,000	\$1,790,000	\$1,181.34
	60 - 64	9	\$0.720/\$1,000	\$450,000	\$323.99
	65 - 69	4	\$1.330/\$1,000	\$120,250	\$159.92
	70 - 74	0	\$2.708/\$1,000	\$0	\$0.00
	75 +	0	\$7.778/\$1,000	\$0	\$0.00
Optional Life Spouse	0 - 19	3	\$0.050/\$1,000	\$15,000	\$0.75
	20 - 24	9	\$0.050/\$1,000	\$46,500	\$2.33
	25 - 29	21	\$0.050/\$1,000	\$105,000	\$5.26
	30 - 34	38	\$0.060/\$1,000	\$190,500	\$11.43
	35 - 39	43	\$0.090/\$1,000	\$216,000	\$19.42
	40 - 44	44	\$0.140/\$1,000	\$217,500	\$30.44
	45 - 49	30	\$0.220/\$1,000	\$150,000	\$32.99
	50 - 54	26	\$0.420/\$1,000	\$129,000	\$54.17
	55 - 59	15	\$0.660/\$1,000	\$75,000	\$49.50
	60 - 64	11	\$0.720/\$1,000	\$54,000	\$38.88
	65 - 69	2	\$1.330/\$1,000	\$6,825	\$9.08
	70 - 74	1	\$2.708/\$1,000	\$3,000	\$8.12
	75 +	1	\$3.716/\$1,000	\$1,500	\$4.06
Optional Child Life		244	\$0.093/\$1,000	\$4,872,000	\$453

Aetna bills Optional Life Insurance on an age graded basis. It is expected that employee deductions will be taken based on these rates and aggregate insured volume will be reported monthly for each 5-year age bracket. The proposed rates may be subject to imputed income under Section 79 of the Internal Revenue Code. Please consult your tax counsel on this matter.

* A census with final enrollments should be submitted to Aetna prior to the effective date; however, it must be provided no later than 30 days after the enrollment date. The final rates may be subject to change based on our review of the

enrolled status.

Aetna will issue or renew a single group life policy providing for basic and supplemental coverage if our quote is accepted. In setting the rates, we first determined the premium that would be required for basic and supplemental coverage if each were offered on a stand-alone basis, to determine a total overall premium for the policy. Then in order to align with your current rate structure, we will underwrite based on the same total overall premium, and adjust the stand-alone premiums by increasing the employee-paid supplemental premium and decreasing the employer-paid basic premium if you direct us to do so. By accepting our quote, you are giving us that direction and are representing to us that (1) both basic and supplemental coverage are offered under a single ERISA-covered welfare benefit plan, and (2) your plan design and employee communications support the allocation of premium between basic and supplemental coverage, and (3) this premium arrangement as applied to your plan is in compliance with ERISA. You also acknowledge that Aetna offers to provide you with a premium quote for this policy where basic and supplemental coverage are set independently and without reference to each other.

Basic and Optional Life Insurance Plan Design

Plan Features	Full-Time Employees
Eligibility Waiting Period	30 Days
Minimum Hours/Week	30
Basic Life	1 times the employee's basic annual earnings to a maximum of \$100,000
Basic AD&D	Equal to Basic Life Insurance
Dependent Child Eligibility	Live birth to Age 26
Optional Life (employees must purchase Optional Life in order to purchase Optional Dependent Life)	\$10,000 increments subject to a maximum of the lesser of 5x earnings or \$300,000
Optional Dependent Life	Spouse: \$5,000 Increments; to a maximum of \$150,000 (Not to exceed 50% of employee's Optional amount) Child(ren): \$10,000 Increments; (Not to exceed 50% of employee's Optional amount)
Overall Plan Maximum	\$400,000
Age Reduction Rule	by35%@65;by50%@70
Basic Life Guarantee Issue*	\$100,000
Optional Guarantee Issue*	The lesser of 3 times salary or \$280,000
Optional Dependent Guarantee Issue*	Spouse: \$30,000 Child: \$10,000
Disability Provision (for active employees only; upon qualifying, all AD&D Ultra and Dependent Life Insurance ends)	PW 60/SSNRA
Accelerated Death Benefit	Included 75% Discounted

Life and AD&D Quote Assumptions

Effective Date	01/01/2016
Rate Guarantee	36 Months (01/01/2016 -12/31/2018) * * Receiving census at least once per year is a condition of the rate guarantee.
SIC Code	• 9111
Commissions	<ul style="list-style-type: none"> • Basic Life Commissions: None • Optional Life Commissions: None • Producer Compensation <p>Aetna has various programs for compensating agents, brokers and consultants. If you would like information regarding compensation programs for which your producer is eligible, payments (if any) which Aetna has made to your producer, or other material relationships your producer may have with Aetna, you may contact</p>

	your producer or your Aetna account representative. Information regarding Aetna's programs for compensating producers is also available at www.aetna.com .
Premium Tax	Included in rates
Contract State	TX
Grace Period	31 Days
Eligibility Handling	Eligibility will be maintained by City of Round Rock
Basic Life Minimum Participation	100%
Optional Life Minimum Participation	28%
Active At Work Rules	<ul style="list-style-type: none"> • <u>Plan Effective Date – Actively Working Employees:</u> Existing coverage is transferred on a “no loss – no gain” basis. This means that an employee or participant will not be penalized or lose the benefits/provisions already attained before switching insurance carriers, nor will they gain any additional benefits/provisions for which they have not yet satisfied the requirements or are not yet eligible for. • <u>Plan Effective Date – Disabled Employees:</u> Employees who are away from work due to a disability who are not covered under a prior carrier’s premium waiver feature may have existing coverage transferred on a “no loss – no gain” basis. To do this Aetna requires the receipt of a list of disabled employees. This list should include life coverage amount, date of birth, and disability reason. Based on the review of this list Aetna reserves the right to make adjustments to the proposal. • <u>Newly Eligible Employees:</u> If ill or injured, and away from work on the date that coverage would become effective, the effective date of coverage is delayed until the employee returns to full-time work for one full day.
Evidence Of Insurability Will be Required in the Following Situations	<ul style="list-style-type: none"> • <u>Exceeding the Guarantee Issue Amount:</u> Any amount above the guarantee issue amount that is listed in the Plan Design section of the proposal will require evidence of insurability. Evidence of insurability is not required due to an increase in salary that results in coverage above the guarantee issue amount. • <u>Late Applicants:</u> Employees who enroll for any contributory Life coverage more than 31 days after the date they are first eligible, elect to increase their coverage, were previously declined for coverage, provided incomplete information, or, have applied for and received and accelerated death benefit payment will be required to provide evidence of insurability. • <u>Increases in Coverage:</u> Employees who are currently enrolled for Optional or Dependent Life are allowed to increase the coverage by one level without having to provide evidence of insurability, provided the increase does not exceed the guarantee issue amount. • <u>Reinstatement of Coverage:</u> Employees who voluntarily cancel Optional or Dependent Life will be required to provide evidence of insurability if coverage is again requested. • <u>Rehired Former Employees:</u> If an employee is rehired after having terminated their employment, they will be subject to the same evidence of insurability requirements that apply to a person who has been hired for the very first time.

Definition of Earnings	<ul style="list-style-type: none"> • <u>Commissioned Sales Force</u>: Total annual income, including commissions, averaged over a 12 month period or actual months of employment if less. • <u>All others</u>: The employee's basic annual salary or wage, exclusive of bonuses, overtime or extra compensation.
Accelerated Death Benefit	<ul style="list-style-type: none"> • 24 month terminal illness period • 75% max benefit percentage • \$500,000 benefit max • Payment will be discounted by an interest charge
AD&D Ultra Provisions	<ul style="list-style-type: none"> • One quarter payment for uniplegia, or loss of a thumb and index finger on the same hand; one-half payment for paraplegia or hemiplegia; loss of a hand, foot or sight of one eye; either hearing or speech; or third degree burns covering 50-74% of the covered person's body; full payment for quadriplegia; loss of both hearing and speech; both hands, both feet, or both eyes; third degree burns covering 75% or more of the covered person's body; or life • In addition to the standard benefits listed above, we also provide the following coverage at no additional cost: <ul style="list-style-type: none"> – Passenger Restraint and Airbag Benefit - \$10,000 Seatbelt/\$5,000 Airbag – Education Benefit for Spouse and/or Child - 5% to \$5,000 – Child Care Benefit - 3% to \$2,000 – Repatriation of Remains –up to \$5,000 – Coma Benefit-- 5% of the Principal Sum for up to 11 months, 45% at month 12 • Total Disability Benefit– up to 100% of the principal sum
Disability Provision	<p><u>Premium Waiver</u>: With this provision, employee coverage may be continued without premium payments if an employee becomes totally and permanently disabled before age 60 and the disability lasts for at least 9 months. Premium Waiver will terminate the earlier of the date the employee reaches the amended 1983 Social Security Retirement Age or their date of retirement (Standard Option).</p>
AD&D Ultra Exclusions	<ul style="list-style-type: none"> • No benefits are payable for a loss, or the accident which resulted in the loss, if the loss or the accident is the result of: A bodily or mental infirmity; a disease, ptomaine or bacterial infection, not a direct result of an accident; medical or surgical treatment not needed as a direct result of an accident; suicide or attempted suicide; an intentionally self-inflicted injury; ligature strangulation resulting from auto-erotic asphyxiation; war or act of war; voluntary inhalation of poisonous gases; commission of or attempt to commit a criminal act; use of alcohol, drugs or intoxicants, except as prescribed by a physician (when the person follows the dosage instructions); contact with nuclear or atomic energy; and air or space travel, unless a passenger without duties. (Exclusions vary by state)



Additional Assumptions	<ul style="list-style-type: none">• Quotes are based on the assumptions that all information provided to Aetna is correct and complete, that the employer is a legitimate employer group and that the group is in sound financial condition.• Our quote assumed that both employer and employee paid benefits are compliant with ERISA regulations.• We reserve the right to re-calculate our rates/fees if there is a 10% change in lives, volume, or plan design. Or if there is a material difference between the actual information submitted on the effective date and that submitted for use in preparing this quotation.• We reserve the right to recalculate our rates/fees if there is a statutory or regulatory requirement mandating the change of any benefit provision or administration, for example the elimination or restriction of a plan's ability to offset or reduce payable disability benefits by other income, including SSDI amounts.• Notification of acceptance of the proposal must be communicated in writing to Aetna no later than the earlier of 90 days from the date of this proposal and 30 days prior to the effective date. Otherwise, late acceptance may cause a delay in contract issuance and other pertinent insurance information. Late submission may also result in an invalid proposal and require postponement of the effective date.• The rate guarantee is subject to the policy's termination provision. In addition, receiving census at least once per year is a condition of the rate guarantee.• AD&D Ultra benefits cannot be purchased without the purchase of Basic Life.• The enclosed group insurance rates assume that Aetna is the insurer for the life product for the policy year. Should Aetna not be the insurer for the group insurance product, the enclosed rates are subject to change.
Takeover Claims	<ul style="list-style-type: none">• We agree to underwrite the program to avoid employee loss of coverage (i.e., we will cover on a no loss/no gain basis). This means that an employee or participant will not be penalized or lose the benefits/provisions already attained before switching insurance carriers, nor will they gain any additional benefits/provisions for which they have not yet satisfied the requirements or are not yet eligible for.• For plans that currently have a premium waiver provision in place, we assume that pending, as well as known claims for disabled employees (i.e., premium waiver claims), are the responsibility of the prior carrier.



Deviations	<ul style="list-style-type: none">• Please note that compliance with ADEA is the responsibility of the plan sponsor.• Unless otherwise stated, the proposal is based on Aetna standard benefits.• 2 individuals are noted on census for over the plan maximum and these individuals have been capped at plan maximum.• Aetna will issue or renew a single group life policy providing for basic and supplemental coverage if our quote is accepted. In setting the rates, we first determined the premium that would be required for basic and supplemental coverage if each were offered on a stand-alone basis, to determine a total overall premium for the policy. Then in order to align with your current rate structure, we will underwrite based on the same total overall premium, and adjust the stand-alone premiums by increasing the employee-paid supplemental premium and decreasing the employer-paid basic premium if you direct us to do so. By accepting our quote, you are giving us that direction and are representing to us that (1) both basic and supplemental coverage are offered under a single ERISA-covered welfare benefit plan, and (2) your plan design and employee communications support the allocation of premium between basic and supplemental coverage, and (3) this premium arrangement as applied to your plan is in compliance with ERISA. You also acknowledge that Aetna offers to provide you with a premium quote for this policy where basic and supplemental coverage are set independently and without reference to each other.
<p>Life benefits are underwritten or administered by Aetna Life Insurance Company (ALIC). This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of plan or program benefits and does not constitute a contract. Consult your Group Insurance Certificate to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan. All the terms and conditions of your plan or program are subject to applicable laws, regulations and policies. While this material is believed to be accurate as of the print date, it is subject to change without notice. In case of conflict between your plan documents and this information, the plan documents will govern.</p>	

Life Insurance

Basic and Optional Life – Standard Product Features****

(Please refer to the Quote Assumptions section for additional information regarding standard product features)

Basic and/or Optional Life – Optional Product Features****

(Please refer to the Quote Assumptions section for additional information regarding optional product features)

Basic and/or Option Dependent Life – Standard Product Features

(Please refer to the Quote Assumptions section for additional information regarding standard and optional product features for dependent life)

- Benefit Exclusions: None for basic life. A two year suicide exclusion applies to the optional life benefit.
 - Premium Waiver: (Premium Waiver quoted on this case is listed in the Disability Provision section). With this provision, Aetna determines if the employee is permanently and totally disabled. If yes, the employee's coverage may be continued **without** premium payments until the earlier of the date the employee reaches the amended 1983 Social Security Retirement Age or their date of retirement (Standard Option).
 - Accelerated Death Benefit: If the employee is diagnosed with a terminal illness and has 24 or fewer months to live, or, suffers from a severe medical condition, the employee may request a portion of their basic life benefit in advance of death.
 - Conversion Privilege: Automatically included. Provides employees with the opportunity to convert their life insurance to an individual, whole life policy.
 - Portability: When coverage ends due to termination of employment, or, the employee no longer belongs to a class of employees who are eligible for the coverage, the employee may port their coverage provided coverage doesn't end due to illness or injury.
-
- Benefit Exclusions: Excludes coverage for dependent that are confined at home or elsewhere due to a medical/health condition until the dependent has been confinement free for 30 days in a row. Includes a two year suicide exclusion.
 - Accelerated Death Benefit: If a dependent spouse (or domestic partner if included) is diagnosed with a terminal illness and has 24 or fewer months to live, or, suffers from a severe medical condition, the employee may request that a portion of the dependent's life benefit amount be paid in advance of death.

Life and AD&D Ultra – Value Add Services

- **Aetna Life Essentials™:** All Life and AD&D Ultra quotes include Aetna Life Essentials (ALE). ALE gives employees access to resources they need while everything is good in their life, at the end of their life and after they've passed away, to help employees and their loved ones. ALE provides members with access to:
 - **Financial Planning Services:** Actives, retirees and those who have ported their coverage have access to personalized financial planning help to meet their financial goals.
 - **Physical:** For members who have received a non-death payment under our AD&D Ultra benefit or who are suffering from an end of life condition, we provide direct access to a Licensed Social Worker who will personally assist the member with the struggles of having to deal with their disability or life limiting condition, while advocating for their care and well-being during a difficult period.
 - **Legal Estate Services:** If the employee or their spouse (or domestic partner, if included) is eligible for the Accelerated Death Benefit, we will provide them with access to in-office legal estate services. With the legal estate package an attorney will create or update their will, will execute durable or financial power of attorney forms, revocable living trust documents, tax planning, guardianship documents for minor children and/or provide legal representation for the sale of the member's primary place of residence.

Standard Life Claim Services

- **Customer Service:** We provide a toll-free number for customer service and for providing notification of death to Aetna
- **Claim Payments:** Clean claims are targeted to be processed within 5 business days of receipt by Aetna.
- **Benefit Payment Accuracy:** Target Claim payment accuracy rate of 98 percent.
- **The Online Life Claims System:** Provides plan sponsors with the ability to submit life claims and manage the life claims submission process online through the Employer Secure Website (ESW).
- **Beneficiary Management and Claim Eligibility Services:** Allows employers to outsource the handling of employee/retiree life insurance beneficiary designation documents, claim establishment and the servicing of employee/retiree inquiries and requests regarding their current Group Life Benefits profile.
- **Beneficiary Payments:** Except where restricted by state regulations, benefits of \$5,000 or more are deposited into an Aetna Benefits Checkbook account in the beneficiary's name. The funds in the account are not FDIC insured but are guaranteed by Aetna Life Insurance Company. The account provides beneficiaries with "checkbook checks" that may be used to draw upon the account. If the beneficiary chooses to do so, they may write one single check for the full amount of proceeds in the account without penalties or fees. Aetna guarantees a minimum interest rate as set out in the policy or other applicable documents. The amount of interest earned will vary from week to week and will be disclosed in the monthly statements mailed via the U.S. Postal Service to beneficiaries showing account activity. The beneficiaries will earn interest on the benefits in the account as soon as the account is set up. The Aetna Benefits Checkbook account enables beneficiaries to take their time, if necessary, to determine how to use the benefit proceeds.

AD&D

<p>Basic AD&D – Standard Product Features****</p> <p>(Please refer to the Quote Assumptions section for additional information regarding standard and optional product features)</p>	<ul style="list-style-type: none"> • Benefit Amount: Paid to the beneficiary of the employee if the employee dies within 365 days of a covered accident. Non-death benefits are paid to the employee. • Covered Losses Recognized: Loss of life (including exposure and disappearance); loss due to the severance of a hand, foot or thumb and index finger on the same hand; loss of sight, speech or hearing, loss of use of a limb due to paralysis, third degree burns and coma. • Passenger Restraint Benefit: If the employee suffers a loss of life as a direct result of a motor vehicle accident and the insured is properly using a passenger restraint and (if the driver) is properly licensed, a benefit will be payable. If an airbag is activated as a result of the same accident, an additional benefit will be payable. • Education Benefit: If the employee suffers a loss of life as a direct result of an accident, an education benefit will be payable on behalf of each dependent child and/or a surviving spouse for a maximum of 4 years from the date of death, with verification of continued enrollment once the child has graduated from high school. If the child has not yet completed their senior year of high school, we'll automatically make a payment on behalf of the child/ren. • Child Care Benefit: If the employee suffers a loss of life as a direct result of an accident, a child care benefit will be payable to cover expenses associated with the dependent child's enrollment in a legally licensed child care center for a maximum of 4 years from the date of death. • Repatriation of Remains Benefit: If the employee suffers a loss of life as a direct result of an accident while 200 or more miles from home, a benefit will be payable for the preparation and transportation of the body to a hometown mortuary. • Total Disability Benefit: If the employee becomes permanently and totally disabled as a result of a covered accident, this benefit will allow for the payment of the employee's Principal Sum to be made to their beneficiary if they die after the 365 day covered loss period ends provided premium payments continue to be made for the employee's AD&D Ultra coverage. • Benefit Exclusions: Please refer to the Quote Assumptions section for a listing of the standard exclusions that apply to AD&D Ultra coverage. • Conversion: Conversion is not available standalone; however, if the employee elects to convert their Basic and/or Optional Life Insurance, they'll be given an opportunity to purchase an equal amount of AD&D coverage as a rider to the individual whole life policy if covered for AD&D Ultra when their life insurance ended.
<p>Conversion</p>	<ul style="list-style-type: none"> • If the policy discontinues and is not replaced by other group life coverage or if the employer cancels the life coverage for the class of employees to which the employee currently belongs, the amount that can be converted will be limited to \$10,000. • AD&D Ultra cannot be converted; however, when converting the life coverage, an employee will be given an opportunity to purchase a separate AD&D rider to the life conversion policy.

	<ul style="list-style-type: none"> The premium and claim experience for these policies are no longer associated with the Life plan. However, the Life plan's claim experience is charged \$195 for each \$1,000 of converted coverage.
Life and AD&D Ultra – Value Add Services	<ul style="list-style-type: none"> <u>Everest Funeral Package, LLC</u>: Includes 24/7/365 funeral planning and concierge services from Everest Funeral Package, LLC. Everest is an independent consumer advocate whose sole purpose is to provide the information families need to make the most informed decisions around all aspects of the funeral planning process and then to put those wishes into action. <u>Aetna Life Essentials™</u>: All Life and AD&D Ultra quotes include Aetna Life Essentials (ALE). ALE gives employees access to resources they need while everything is good in their life, at the end of their life and after they've passed away, to help employees and their loved ones. ALE provides members with access to: <ul style="list-style-type: none"> <u>Financial Planning Services</u>: Actives, retirees and those who have ported their coverage can have prepared on their behalf a personalized financial plan to help them meet their financial goals. <u>Emotional Support</u>: For employee or spouses suffering from an end of life condition, we provide unlimited telephonic grief counseling services to the member, their family and caregivers if eligible for the accelerated death benefit. We also provide access to our Compassionate Care Website that allows the person or their caregivers to obtain information on how to deal with end of life issues. <u>Physical</u>: For members who are eligible for Premium Waiver extension, have received a non-death payment under our AD&D Ultra benefit or who are suffering from an end of life condition, we provide direct access to a Licensed Social Worker who will personally assist the member with the struggles of having to deal with their disability or terminal illness, while advocating for their care and well-being during a difficult period. We also provide members with access to vision, hearing, and fitness center discounts. <u>Legal Estate Services</u>: If the employee or their spouse (or domestic partner, if included) is eligible for the Accelerated Death Benefit, we will provide them with access to in-office legal estate services. With the legal estate package an attorney will create or update their will, will execute durable or financial power of attorney forms, revocable living trust documents, tax planning, guardianship documents for minor children and/or provide legal representation for the sale of the member's primary place of residence. Also includes the Legal Reference Program as shown next.

<p>Life, AD&D Ultra and Disability – Value Add Services</p>	<ul style="list-style-type: none"> • <u>Legal Reference™ Program</u>: Through the Legal Reference Website, members have access to a free Basic Will program. Members can also create at no cost living wills, healthcare and durable financial power of attorney forms. Members also have access to information on identity theft prevention and a Victim Action Kit if a person's identity has been stolen. If the person is insured for supplemental life at the time they file for an accelerated death benefit, the person will also be eligible for free, in-office estate planning services consisting of document preparation, tax planning, uncontested guardianship arrangements and attorney representation for a real estate closing of the member's primary residence if the sale is due to the person's terminal illness. In-office attorney services may also be available to the executor of the person's estate in some instances.
<p>Portability</p>	<ul style="list-style-type: none"> • The portability feature allows employees to take their coverage with them if they leave the company for reasons other than illness or injury. • Coverage can only be ported due to loss of employment or when the employee is no longer part of a class of employees who are eligible for the life insurance coverage. • Employees must port their coverage in order to port dependent coverage. • Ported coverage includes an age reduction rule. Coverage will be reduced to 65% at age 65; 40% at age 70 and 25% at age 75, but not below \$5,000. • When electing portability, the employee may purchase an Accidental Death rider that's equal to the ported life amount (employee only). • If the employee dies or divorces, dependent ported coverage will end. Conversion will not be available. • Former employees may not increase their insurance coverage or add new dependents. • Once coverage has been ported, any death claims are applied to the experience of our portability pool. • If the master group policy is discontinued by the employer, the policy is deemed to remain in effect for individual who have ported their coverage. • Once an employee ports their coverage, they remain subject to all of the plan provisions included in the master group contract, except that a person may not apply for an accelerated death benefit after having ported their coverage. • The eligibility age for portable coverage for employees and spouses (or domestic partners) is age 98. • The termination age is 99. An employee is eligible to port child coverage provided that the child is at least one year younger than the maximum child eligibility age for dependent life insurance. • Portability rates are not the same as the group policy rates and are subject to change. • Aetna will include a direct billing charge of \$2.00 in the premium notices it sends to former employees. • Portability Pool rates are presented on a non-smoker/smoker basis in five-year age bands. Note that these rates are illustrative and are subject to change.

Billing	<ul style="list-style-type: none"> • Summary Billing • Aetna bills Optional Life Insurance on an age graded basis. It is expected that employee deductions will be taken based on these rates and aggregate insured volume will be reported monthly for each 5-year age bracket. The proposed rates may be subject to imputed income under Section 79 of the Internal Revenue Code. Please consult your tax counsel on this matter.
* Availability may be limited based on case size or other factors and some features may be at an additional cost.	

Short Term Disability Rates*

Benefit Name	Lives	Rate	Weekly Benefit Volume	Monthly Premium
Short Term Disability	181	\$0.289 / \$10 Weekly Benefit	\$112,260	\$3,247.53

* A census with final enrollments should be submitted to Aetna prior to the effective date; however, it must be provided no later than 30 days after the enrollment date. The final rates may be subject to change based on our review of the enrolled status.

Short Term Disability Plan Design

Plan Features	Full time Employees	Full time Employees
Type of Coverage	Benefit % of Weekly Salary	Benefit % of Weekly Salary
Eligibility Waiting Period	After 30 days of employment	After 30 days of employment
Minimum Hours/Week	30 hours	30 hours
Benefit Type	60%	60%
Employee Contribution Type	Voluntary	Voluntary
Minimum Participation	22%	22%
Benefits Start (Accident)	8 days	8 days
Benefits Start (Illness)	8 days	8 days
Maximum Benefit Period	13 weeks	26 weeks
Maximum Weekly Benefit	\$1,000	\$1,000
Minimum Weekly Benefit	None	None
Definition of Disability	Inability to perform own occupation and a Partial (80%) earnings test	Inability to perform own occupation and a Partial (80%) earnings test
Earnings Test	Partial (80%)	Partial (80%)
Definition of Earnings	<u>Commissioned Sales Force:</u> Basic earnings immediately preceding the date of disability exclusive of bonuses, overtime or extra compensation, inclusive of commissions averaged over 12 month period or actual months of employment if less. <u>All others:</u> Basic earnings immediately preceding the date of disability exclusive of bonuses, overtime or extra compensation.	<u>Commissioned Sales Force:</u> Basic earnings immediately preceding the date of disability exclusive of bonuses, overtime or extra compensation, inclusive of commissions averaged over 12 month period or actual months of employment if less. <u>All others:</u> Basic earnings immediately preceding the date of disability exclusive of bonuses, overtime or extra compensation.
Partial Disability	Yes	Yes
Work Incentive Benefit	Included	Included
Separate Periods of Disability	30 days	30 days

Social Security Offsets	Primary & Family	Primary & Family
Integration Method	Direct	Direct
Rehabilitation	Employee participation is mandatory, based on employee's condition	Employee participation is mandatory, based on employee's condition
Pre-Existing Exclusion	3/12	3/12
Participation	22%	22%
Billing	Summary Billing	Summary Billing

Short Term Disability Quote Assumptions

Effective Date	01/01/2016
Rate Guarantee	24 Months (01/01/2016 - 12/31/2017) * * Receiving census at least once per year is a condition of the rate guarantee.
SIC Code	9111
ER FICA Match	Not Included
Commissions	Included, Standard filed schedule Producer Compensation Aetna has various programs for compensating agents, brokers and consultants. If you would like information regarding compensation programs for which your producer is eligible, payments (if any) which Aetna has made to your producer, or other material relationships your producer may have with Aetna, you may contact your producer or your Aetna account representative. Information regarding Aetna's programs for compensating producers is also available at www.aetna.com .
Contract State	TX — The Aetna (ALIC) standard filed contract language applies to this proposal unless changes are approved in advance by Underwriting. Special drafted contract language or plan provisions are not assumed in the rates.
Grace Period	31 Days
Premium Tax	Included in rates
Eligibility Handling, Enrollment and Coverage Records	Eligibility Handling, Enrollment and Coverage Records will be maintained by City of Round Rock, TX
Rehabilitation and Social Security Assistance	All Costs Associated with rehabilitation and Social Security assistance have been included in the quoted rates.
Types of Disabilities Covered	Non-Occupational
Includes	<u>Continuity of Coverage</u> - Insured individuals do not lose coverage due to an employer's change in group insurance carriers. <u>Legal Reference Program</u> – Provide access to free living wills, healthcare power of attorney forms, identify theft prevention and a Victim Action Kit if a person's identity has been stolen, and, access to discounted Will preparation services.

Actively At Work Rule	<p><u>Plan Effective Date – Actively at Work Employees</u> – Existing coverage is transferred on a “no loss – no gain” basis.</p> <p><u>Plan Effective Date – Disabled Employees</u> – Employees who are away from work due to a disability incurred prior to the Aetna’s effective date are considered to be covered under the prior carrier’s plan for the duration of their disability.</p> <p><u>Newly Eligible Employees</u> – If ill or injured, and away from work on the date that coverage would become effective, the effective date of coverage is delayed until the employee returns to full-time work for one full day</p> <p><u>Increases in coverage</u>. applies to increases in coverage</p>
Effective Date Coverage Transfer	We agree to underwrite the program to avoid employee loss of coverage (i.e., we will cover on a no loss/no gain basis) subject to the Actively at Work Requirement.
Late Entrants	Employees who enroll for any contributory STD coverage more than 31 days later than the date they are first eligible or elect to increase their coverage or who were previously declined for coverage must provide medical evidence of insurability.
Termination of Coverage	Our quote assumed that Cessation of employment, contract termination, ineligible class, failure to make contribution.
Independent Medical Examinations	The cost for IME has been included in the quoted rates.
Existing Claims	All contracts and initial rates assume that the current carrier will pay all claims incurred prior to the effective date of the Aetna policy.
Exclusions	Occupational injuries; intentionally self-inflicted injuries, committing an assault, battery, or felony; act of war; civil commotion.

Additional Assumptions

- Quotes are based on the assumptions that all information provided to Aetna is correct and complete, that the employer is a legitimate employer group and that the group is in sound financial condition.
- Notification of acceptance of the proposal must be communicated in writing to Aetna no later than the earlier of 90 days from the date of this quote and 30 days prior to the effective date. Otherwise, late acceptance may cause a delay in contract issuance and other pertinent insurance information. Late submission may also result in an invalid proposal and require postponement of the effective date.
- We reserve the right to re-calculate our rates/fees if there is a 10% change in lives, volume, or plan design. Or if there is a material difference between the actual information submitted on the effective date and that submitted for use in preparing this quotation.
- We reserve the right to recalculate our rates/fees if there is a statutory or regulatory requirement mandating the change of any benefit provision or administration, for example the elimination or restriction of a plan's ability to offset or reduce payable disability benefits by other income, including SSDI amounts.
- Receiving census at least once per year is a condition of the rate guarantee.
- This STD proposal is only available in conjunction with either Life, LTD or Medical coverage's insured through Aetna.
- Quotes are based on the assumption that the proposed STD coverage is ERISA compliant.
- The enclosed group insurance rates assume that Aetna is the insurer for the short term disability product for the policy year. Should Aetna not be the insurer for the group insurance product, the enclosed rates are subject to change.
- Disability benefits are underwritten or administered by Aetna Life Insurance Company (ALIC). This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of plan or program benefits and does not constitute a contract. Consult your Group Insurance Certificate to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan. In case of conflict between your plan documents and this information, the plan documents will govern. All the terms and conditions of your plan or program are subject to applicable laws, regulations, and policies. The benefits described in the plan design section are subject to change without notice pursuant to the terms and conditions of the Settlement Agreement issued by the Superior Court of the State of California, County of Sacramento on July 21, 2006 applicable to all insurance carriers selling Group (Short Term or Long Term) Disability Insurance which may affect pricing.

Deviations	Unless otherwise stated, the proposal is based on Aetna standard benefits and administration.
Termination by Us	<ul style="list-style-type: none">• This Policy will terminate as of the last day of the Grace Period if the Premium remains unpaid at the end of the Grace Period as described in the Grace Period provision under the quote assumptions section and is subject to the terms of any laws or regulations. In addition, We may terminate this Policy as to any or all coverage, other than the Health Expense Coverage, of all or any class of employees or dependents of any one or more member employers by giving prior written notice to the Policyholder of when it will terminate. The date shall not be earlier than 31days after the date of the notice unless it is agreed to by the Policyholder and Us.

Long Term Disability Rates*

Benefit Name	Lives	Rate**	Monthly Covered Payroll	Monthly Premium
Long Term Disability	812	\$0.160/\$100 Monthly Covered Payroll	\$3,706,852	\$5,930.96
* A census with final enrollments should be submitted to Aetna prior to the effective date; however, it must be provided no later than 30 days after the enrollment date. The final rates may be subject to change based on our review of the enrolled status.				
** Covered Monthly Payroll for each employee will be equal to the monthly salary to a maximum of the maximum monthly benefit / benefit Percentage.				

Long Term Disability Plan Design

Plan Features	Full-time Employees
Eligibility Waiting Period	
Minimum Hours/Week	30 hours
Benefit %	60%
Maximum Monthly Benefit	\$5,000
Maximum Benefit Period	To Age 65 RBD or SSNRA
Minimum Monthly Benefit	\$0
Elimination Period	180 days
Definition of Disability/Own Occupation Duration	24 months
Partial Disability	Included
Definition of Earnings	<p><u>Commissioned Sales Force</u>: Basic earnings immediately preceding the date of disability exclusive of bonuses, overtime or extra compensation, inclusive of commissions averaged over 12 month period or actual months of employment if less.</p> <p><u>All others</u>: Basic earnings immediately preceding the date of disability exclusive of bonuses, overtime or extra compensation.</p>
Earnings Test	80%/60%
Zero Day Residual	Yes
Pre-Existing Exclusion	3/12
Mental/Nervous Limitation	24 months of benefit per Occurrence
Alcohol/Drug Limitation	24 months of benefit per Occurrence
Self-Reported Disability Limitation	Not Included
Separate Periods of Disability	30 Days/6 Months
Social Security Offsets	Primary Only
Work Incentive Benefit Duration/Thereafter	12 Months/Proportional Benefit
Integration Method	Direct
Survivor Benefit	3 Months
Rehabilitation	Voluntary employee participation
Employee Contribution Percentage	Non Contributory
Minimum Participation	100%
Waiver of Premium	Included
Enhanced EAP for LTD Insured members	3 face-to-face sessions plus unlimited telephonic EAP

Maximum Benefit Period	Definition
SSNRA	Benefits are payable while disabled according to the following schedule or until the 1983 amended Social Security Normal Retirement Age, if later Disabled at age 61 or younger, benefits continue to end of month age 65 age 62, 42 months age 63, 36 months age 64, 30 months age 65, 24 months age 66, 21 months age 67, 18 months age 68, 15 months age 69+ 12 months

Long Term Disability Quote Assumptions

Effective Date	01/01/2016
Rate Guarantee	36 Months (01/01/2016 - 12/31/2018) * * Receiving census at least once per year is a condition of the rate guarantee.
SIC Code	9111
Contract State	TX—The Aetna (ALIC) standard filed contract language applies to this proposal unless changes are approved in advance by Underwriting. Special drafted contract language or plan provisions are not assumed in the rates.
Grace Period	31 Days
Commissions	Included, Standard filed schedule
	Producer Compensation Aetna has various programs for compensating agents, brokers and consultants. If you would like information regarding compensation programs for which your producer is eligible, payments (if any) which Aetna has made to your producer, or other material relationships your producer may have with Aetna, you may contact your producer or your Aetna account representative. Information regarding Aetna's programs for compensating producers is also available at www.aetna.com .
Premium Tax	Included in rates
Actively At Work Rule	<u>Plan Effective Date – Actively at Work Employees</u> – Existing coverage is transferred on a “no loss – no gain” basis. <u>Plan Effective Date – Disabled Employees</u> – Employees who are away from work due to a disability incurred prior to the Aetna’s effective date are considered to be covered under the prior carrier’s plan for the duration of their disability. <u>Newly Eligible Employees</u> – If ill or injured, and away from work on the date that coverage would become effective, the effective date of coverage is delayed until the employee returns to full-time work for one full day. <u>Increases in coverage.</u> applies to increases in coverage.

<p>Definition of Disability</p>	<p><u>During the Elimination Period and the Own Occupation Period:</u> any day that an individual is unable to perform the material duties of his own occupation; or while unable to perform the material duties of his own occupation, is performing at least one of the material duties of any occupation on a part-time or full-time basis and has lost at least 20% of his indexed pre-disability earning due to a disabling condition.</p> <p><u>During the any reasonable occupation period:</u> any day that an individual is unable to perform the material duties of any occupation for which he is or may become fitted, based on training, education or experience; or while unable to perform the material duties of any reasonable occupation, is performing at least one of the material duties of any occupation on a part-time or full-time basis and has lost at least 40% of his indexed pre-disability earnings due to a disabling condition.</p>
<p>Types of Disability Covered</p>	<p>Occupational and Non-occupational, not in lieu of Workers' Compensation</p>
<p>Eligibility, Enrollment and Coverage Records</p>	<p>Our quote assumed that Eligibility, Enrollment and Coverage Records will be maintained by City of Round Rock, TX.</p>
<p>Includes</p>	<p><u>Continuity of Coverage:</u> Insured individuals do not lose coverage due to an employer's change in group insurance carriers.</p> <p><u>Worksite Modification:</u> Aetna provides Worksite Modification on a case by case basis for claimants who, in our determination, could remain at work or return to work with modifications to their worksite environment.</p> <p><u>Social Security Assistance:</u> Assistance for eligible employees with the application process for Social Security disability benefits. Disability benefits are offset by Social Security, helping reduce disability costs.</p> <p><u>Enhanced EAP for LTD Insured members</u> – Includes</p> <ul style="list-style-type: none"> • 3 face-to-face counseling sessions for LTD-covered members & immediate household members per year. • Unlimited telephonic EAP consultations. • Referrals to community services, such as Alcoholics Anonymous, Eldercare and the Grieving Center. • Internet access to our online WorkLife services. • Unlimited telephonic consultation for managers and supervisors. • Standard communication and promotional materials can be printed from an employer resource website.
<p>FICA Match (FICA Match is contingent on Aetna's filings and may not be available subject to the Filing Restrictions.)</p>	<p><u>FICA Matching Share Program</u> – Our quote is on the assumption that we will administer the employer FICA match for City of Round Rock, TX. Aetna will fund and remit the ER FICA matching share to the governmental agency. Funds will be remitted under the Aetna name, address and FEIN. Funding of the ER FICA obligation and an administrative fee will be included in the insured rates.</p>

Exclusions	<p>Insurrection, riot, civil commotion; Intentional self-inflicted injuries; War or act of war; Committing or attempting to commit a criminal act; Operating motor vehicle while under the influence of alcohol, intoxicants or illegal drugs; prescription drugs in excess of physician prescribed amounts; Over-the-counter medications taken in excess of dosage instructions.</p>
Other	<ul style="list-style-type: none"> • Our quote assumed that Quotes are based on the assumptions that all information provided to Aetna is correct and complete, that the employer is a legitimate employer group and that the group is in sound financial condition. • We reserve the right to re-calculate our rates/fees if there is a change in plan design or a 10% change in lives or volume. Or if there is a material difference between the actual information submitted on the effective date and that submitted for use in preparing this quotation. • We reserve the right to recalculate our rates/fees if there is a statutory or regulatory requirement mandating the change of any benefit provision or administration, for example the elimination or restriction of a plan's ability to offset or reduce payable disability benefits by other income, including SSDI amounts. This includes regulatory changes to FMLA or State leaves if applicable. • Receiving census at least once per year is a condition of the rate guarantee. • Quotes are based on the assumption that the proposed LTD coverage is ERISA compliant. • The enclosed group insurance rates assume that Aetna is the insurer for the long term disability product for the policy year. Should Aetna not be the insurer for the group insurance product, the enclosed rates are subject to change. • Notification of acceptance of the proposal must be communicated in writing to Aetna no later than the earlier of 90 days from the date of this proposal and 30 days prior to the effective date. Otherwise, late acceptance may cause a delay in contract issuance and other pertinent insurance information. Late submission may also result in an invalid proposal and require postponement of the effective date.
Deviations	<ul style="list-style-type: none"> • Unless otherwise stated, the proposal is based on Aetna standard benefits and administration.

Termination by Us	<ul style="list-style-type: none">• This Policy will terminate as of the last day of the Grace Period if the Premium remains unpaid at the end of the Grace Period as described in the Grace Period provision under the quote assumptions section and is subject to the terms of any laws or regulations. In addition, We may terminate this Policy as to any or all coverage, other than the Health Expense Coverage, of all or any class of employees or dependents of any one or more member employers by giving prior written notice to the Policyholder of when it will terminate. The date shall not be earlier than 31days after the date of the notice unless it is agreed to by the Policyholder and Us.
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Short Term Disability

Aetna Disability Services®	<ul style="list-style-type: none"> • Aetna is the industry leader in clinical event management and has been a provider of group disability benefits for more than 80 years. • Our experience with all sized companies and flexible plan design, underwriting and funding issues means Aetna can provide effective solutions for companies of all sizes.
Service	<ul style="list-style-type: none"> • Clinical approach to managing disabilities utilizing clinical tools and resources to help manage employees back to work/health • Centralized Behavioral Health Unit that manages the clinical aspects of psychiatric disabilities • Centralized Vocational Rehabilitation Specialists that assess rehabilitative services in facilitation of return-to-work • On-line claim adjudication tool assures consistent interpretation and application of contract provisions • Choice in claim submission : telephonic*, web* or paper form • Designated Disability Benefits Manager for each claimant • Special Investigations Unit monitors against fraud • Service and performance standards with regular reports • Single point of contact for your company's Benefits department
Includes	<ul style="list-style-type: none"> • <u>Continuity of Coverage</u> - Insured individuals do not lose coverage due to an employer's change in group insurance carriers.
State Cash Disability	<ul style="list-style-type: none"> • Statutory State Plan • Aetna will insure all employees (including part-time and temporary employees) at the statutory level required by each mandated disability state. • Statutory State Plan plus Supplemental STD Plans • Aetna will insure the statutory plan as described above. In addition, Aetna will provide a separate STD plan (insured or ASC) and coordinate the plans to provide benefits that are above and beyond those provided by the Statutory Plan. Refer to the Short-term Disability Plan Design section of this proposal for the supplemental plan design provisions for eligibility and supplemental plan design. • Better than Statutory State Plan • Aetna will insure an enriched statutory plan, which exceeds the mandated state benefits in at least one aspect. This plan would be filed with the state and state guidelines would be used to administer claims. Refer to the Proposed Benefit section below for detailed plan design provisions.

Annual Enrollment	<p>This proposal assumes there is no Annual Enrollment Period for STD coverage.</p> <p>If your Coverage is Contributory, each year during the employer's annual enrollment period, employees may elect to change the amount of their Short Term Disability Insurance coverage. Employees who have previously declined coverage may also enroll at this time. All changes or enrollments that occur during this period, however, are subject to the evidence rules as they apply to late entrants.</p>
Minimum Participation Requirement	<p>Aetna's proposal anticipates that a specific level of the eligible employee population will enroll in the plan and continue to be enrolled during the rate guarantee period. If this level were not to be achieved or maintained Aetna reserves the right to adjust the proposal and/or cancel the plan.</p> <p>The participation percentage is based on the number of employees who enroll in the plan versus the total eligible employee population.</p>
Offsets	<p>Income benefit sources payable to the employee, employee's spouse, children and/or dependents due to the employee's disability or retirement. Sources include, but are not limited to, benefits payable from: Jones Act/Maritime Doctrine, unemployment compensation, Workers' Comp, statutory disability plans, employer provided sick leave or salary continuation, Social Security, 3rd party liability, Canada Pension Plan, Quebec Pension Plan, veteran's benefits, and group disability or retirement plans</p>
Separate Periods of Disability	<p>If 2 or more separate periods of disability are due to the same or related causes they will be deemed to be one period of disability and only one elimination period will apply if the separation occurs during the elimination period and the periods are separated by less than 30 days of work or the separation occurs after the elimination period and the periods are separated by less than 30 days of work.</p>
Existing Claims	<p>All contracts and initial rates assume that the current carrier will pay all claims incurred prior to the effective date of the Aetna policy.</p>
Return to Work/Work Incentive Benefit	<p>If an employee has work earnings of more than 20% of indexed pre-disability earnings, the benefit will be adjusted as follows:</p> <p><u>Work Incentive Benefit:</u> During STD maximum benefit period or, if shorter, the first 12 months the employee has such employment income, the weekly benefit will be reduced only to the extent the amount of that employment income plus the gross weekly benefit exceeds 100% of indexed pre-disability earnings.</p>
<p>* Availability may be limited based on case size or other factors and some features may be at an additional cost.</p>	

Long Term Disability

Aetna Disability Services®	<ul style="list-style-type: none"> • Aetna is the industry leader in clinical event management and has been a provider of group disability benefits for more than 80 years. • Our experience with all size companies and flexible plan design, underwriting and funding means Aetna can meet your needs and the needs of your employers
Service	<ul style="list-style-type: none"> • Clinical approach to managing disabilities utilizing clinical tools and resources to help manage employees back to work/health • Centralized Behavioral Health Unit that manages the clinical aspects of psychiatric disabilities • Centralized Vocational Rehabilitation Specialists that assess rehabilitative services in facilitation of return-to-work • On-line claim adjudication tool assures consistent interpretation and application of contract provisions • Choice in claim submission: fax, mail or telephonic* • Smooth transition from STD to LTD – Claim Liaison assigned • Designated Disability Benefit Manager for each claimant • Special Investigations Unit monitors against fraud • Service and performance standards with regular reports • Single point of contact for your company's Benefits department
<p>Optional Features*</p> <p>The following Optional Features are contingent on Aetna's filings some or all of the Optional Benefits may not be available subject to the Filing Restrictions</p> <p>*Optional Features are available at an additional cost and not included in the proposed quote.</p>	<ul style="list-style-type: none"> • <u>Child/Dependent Care Benefit:</u> After 6 months of benefit are paid, a benefit is available to reimburse an employee for child care expenses while participating in an approved rehabilitation program. An amount of \$250 per month per dependent to a maximum of \$500 is payable for up to 24 months. • <u>Extended Disability (ADL related):</u> A reduced disability benefit may be payable for up to 60 months beyond the maximum duration if disabled employee is confined or receiving home health care and requires substantial assistance to perform 2 or more ADLs or substantial supervision due to cognitive impairment. Benefit is reduced to 85% of the monthly benefit, after offsets applied, up to \$5000/month. • <u>Accidental Personal Loss Indemnity Benefit:</u> Subject to the elimination period, a set number of benefit payments will be made if an employee suffers a covered accidental personal loss. • <u>Spousal Rehabilitation Benefits:</u> Vocational Rehabilitation services are available to the spouse of a claimant who is unable to participate in any Vocational Rehabilitation program due to their disabling condition(s). To qualify for this benefit, the claimant's disability must be more than 12 months in duration, the spouse's earnings must be 60% or less of the claimant's indexed pre-disability earnings and the spouse must be a suitable candidate for vocational rehabilitation as determined by Aetna. The claimant's benefit would be offset by 50% of the resulting increase in the spouse's wages.

	<ul style="list-style-type: none"> • <u>Benefit Escalator</u>: Additional benefit payable if disabled employee requires substantial assistance to perform 2 or more activities of daily living or substantial supervision due to cognitive impairment = 10% of pre-disability earnings, up to \$5,000 monthly maximum. • <u>Benefit Escalator add-on features for respite care, emergency alert system</u>: Additional benefit payable if disabled employee requires substantial assistance to perform 2 or more activities of daily living or substantial supervision due to cognitive impairment = 10% of pre-disability earnings, up to \$5,000 monthly maximum. Benefit also includes a \$100 daily Respite Care benefit that is payable for up to 14 days per year; a one-time Caregiver Training Benefit of up to \$500; and up to \$25 per month for the rental of an Emergency Alert System. • <u>Accelerated Survivor Benefit (ADB type)</u>: Option for an employee to request advanced payment of the survivor benefit before death if the employee is not expected to live more than 12 months. • <u>24 Months Work incentive Benefit</u>: During the first 24 months that benefits are payable and the employee is working at any occupation, the employee can receive up to 100% of indexed pre-disability earnings through a combination of monthly benefit and work earnings. After 24 months, the monthly benefit payable will be adjusted proportionately to the loss of income. • <u>Conversion Privilege</u>: When a covered person's employment terminates with the employer, he or she may be eligible to convert and become insured under a disability conversion policy. The LTD conversion policy is intended to serve a temporary solution until the employee becomes insured under another group plan. The employee must convert within 31 days following termination of employment.
Annual Enrollment	If your Coverage is Contributory, each year during the employer's annual enrollment period, employees may elect to change the amount of their Long Term Disability Insurance coverage. Employees who have previously declined coverage may also enroll at this time. All changes or enrollments that occur during this period, however, are subject to the evidence rules as they apply to late entrants.
Minimum Participation Requirements	Aetna's proposal anticipates that a specific level of the eligible employee population will enroll in the plan and continue to be enrolled during the rate guarantee period. If this level were not to be achieved or maintained Aetna reserves the right to adjust the proposal and/or cancel the plan. The participation percentage is based on the number of employees who enroll in the plan versus the total eligible employee population.

Offsets	Income benefit sources payable to the employee, employee's spouse, children and/or dependents due to the employee's disability or retirement. Sources include, but are not limited to, benefits payable from: Jones Act/Maritime Doctrine, unemployment compensation, Workers' Comp, statutory disability plans, employer provided sick leave or salary continuation, Social Security, 3 rd party liability, Canada Pension Plan, Quebec Pension Plan, veteran's benefits, and group disability or retirement plans.
Separate Periods of Disability	If 2 or more separate periods of disability are due to the same or related causes they will be deemed to be one period of disability and only one elimination period will apply if the separation occurs during the elimination period and the periods are separated by less than 30 Days of work or the separation occurs after the elimination period and the periods are separated by less than 6 Months of work.
Pre-existing Condition Limit	<p>These numbers represent the number of months in the Pre-existing Period followed by the Treatment Free Period followed by Month Exclusion Period.</p> <p>Disabilities resulting from conditions occurring during the Pre-existing Period are excluded from coverage during the Treatment Free and Exclusion Period.</p>
Return to Work	<p>If an employee has work earnings of more than 20% of indexed pre-disability earnings, the benefit will be adjusted as follows:</p> <p><u>Work Incentive Benefit:</u> During the first 12 months the employee has such employment income, the monthly benefit will be reduced only to the extent the amount of that employment income plus the gross monthly benefit exceeds 100% of indexed pre-disability earnings.</p> <p>After 12 months, the adjusted benefit will be determined as follows: (A divided by B) x C where: A= Indexed pre-disability earnings minus such employment income. B= Indexed pre-disability earnings C= The net monthly benefit.</p>
Approved Rehabilitation Program	During the employee's active participation in an Aetna Approved Rehab Program, Aetna will pay an additional 10% of monthly benefit after all applicable reductions for other income benefits but not more than \$500 per month. This incentive will be paid up to 6 consecutive months for each period of disability.
Worksite Modification Benefit	Worksite Modification – Aetna provides Worksite Modification on a case by case basis for claimants who, in our determination, could remain at work or return to work with modifications to their worksite environment.
Independent Medical Examinations	The cost for IME has been included in the quoted rates. The cost for IME has been included in the quoted rates.

Termination of Coverage	<ul style="list-style-type: none">• Our quote assumed that Cessation of employment, contract termination, ineligible class, failure to make contribution.
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Disability benefits are underwritten or administered by Aetna Life Insurance Company (ALIC). This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of plan or program benefits and does not constitute a contract. Consult your Group Insurance Certificate to determine governing contractual provisions, including procedures, exclusions and limitations relating to your plan. All the terms and conditions of your plan or program are subject to applicable laws, regulations and policies. While this material is believed to be accurate as of the print date, it is subject to change without notice. In case of conflict between your plan documents and this information, the plan documents will govern.