10-1-24 26i

# PROPOSAL

Brighter under the sun

Created for:
Burnet County

Sun Life Financial®

# Renewal Rates Section

## Renewal Effective Date: October 1, 2024

| | |
|---|---|
| Group Sponsor Name: | Burnet County |
| Group Policy Number: | 226288 |

Sun Life will continue this coverage at the referenced renewal rates provided that premium owed is paid to date.

## Basic Life

### Employee Basic Life and AD&D Current Rates

| Coverage | Total employees | Current monthly rate | Total current monthly volume | Total current monthly premium | Total current annual premium |
|---|---|---|---|---|---|
| Employee Basic Life: | 334 | $0.286 | $6,680,000 | $1,910 | $22,926 |
| Employee Basic AD&D | 334 | $0.024 | $6,680,000 | $160 | $1,924 |
| **Total estimated premium** | | | | $2,071 | $24,850 |

Rate basis: Per $1,000 of volume

There could be income tax and ERISA implications when the employer-funded Basic Life rates are subsidized by employee-funded Optional Life rates. Subsidized rates may create additional imputed income for some employees (under IRC Section 79) and may implicate ERISA's fiduciary rules. You should review these issues with your tax and ERISA counsel before implementing a subsidized group basic and optional life plan.

### Employee Basic Life and AD&D Renewal Rates

| Coverage | Total employees | Monthly rate | Total estimated monthly volume | Total estimated monthly premium | Total estimated annual premium |
|---|---|---|---|---|---|
| Employee Basic Life: | 334 | $0.300 | $6,680,000 | $2,004 | $24,048 |
| Employee Basic AD&D | 334 | $0.024 | $6,680,000 | $160 | $1,924 |
| **Total estimated premium** | | | | $2,164 | $25,972 |

Rate basis: Per $1,000 of volume

There could be income tax and ERISA implications when the employer-funded Basic Life rates are subsidized by employee-funded Optional Life rates. Subsidized rates may create additional imputed income for some employees (under IRC Section 79) and may implicate ERISA's fiduciary rules. You should review these issues with your tax and ERISA counsel before implementing a subsidized group basic and optional life plan.

Current Prem
6.20 Per Emp.
Renewal Rate
6.48 Per Emp

Group Basic Life and AD&D coverage is underwritten by Sun Life As

Series 93P-LH

# Optional Life

## Employee Optional Life and Dependent Optional Life Current Rates

### Employee Optional Life

| Age band | Participating employees | Current monthly rate | Current monthly volume | Current monthly premium |
|---|---|---|---|---|
| Under age 20 | 0 | $0.061 | $0 | $0 |
| 20–24 | 0 | $0.061 | $0 | $0 |
| 25–29 | 2 | $0.061 | $200,000 | $12 |
| 30–34 | 0 | $0.069 | $0 | $0 |
| 35–39 | 2 | $0.091 | $200,000 | $18 |
| 40–44 | 4 | $0.130 | $380,000 | $49 |
| 45–49 | 2 | $0.230 | $51,000 | $12 |
| 50–54 | 6 | $0.371 | $390,000 | $145 |
| 55–59 | 5 | $0.581 | $500,000 | $291 |
| 60–64 | 4 | $0.910 | $450,000 | $410 |
| 65–69 | 2 | $1.629 | $130,000 | $212 |
| 70–74 | 1 | $2.921 | $19,500 | $57 |
| 75–79 | 0 | $4.821 | $0 | $0 |
| 80–84 | 0 | $9.761 | $0 | $0 |
| 85 and over | 0 | $9.761 | $0 | $0 |

Rate basis: Per $1,000 of volume

### Spouse Optional Life

| Age band | Participating employees | Current monthly rate | Current monthly volume | Current monthly premium |
|---|---|---|---|---|
| Under age 20 | 0 | $0.061 | $0 | $0 |
| 20–24 | 0 | $0.061 | $0 | $0 |
| 25–29 | 0 | $0.061 | $0 | $0 |
| 30–34 | 0 | $0.069 | $0 | $0 |
| 35–39 | 1 | $0.091 | $50,000 | $5 |
| 40–44 | 2 | $0.130 | $90,000 | $12 |
| 45–49 | 2 | $0.230 | $11,000 | $3 |
| 50–54 | 1 | $0.371 | $30,000 | $11 |
| 55–59 | 3 | $0.581 | $150,000 | $87 |
| 60–64 | 2 | $0.910 | $90,000 | $82 |
| 65–69 | 1 | $1.629 | $20,000 | $33 |

Rate basis: Per $1,000 of volume

## Totals

| Coverage | Total participating employees | Current monthly rate | Total current monthly volume | Total current monthly premium | Total current annual premium |
|---|---|---|---|---|---|
| Employee Optional Life | 28 | N/A | $2,320,500 | $1,205 | $14,459 |
| Spouse Optional Life | 12 | N/A | $441,000 | $232 | $2,778 |
| Child Optional Life | 12 | $0.187 | $105,000 | $20 | $236 |
| **Total current premium** | | | | $1,456 | $17,474 |

Rate basis: Per $1,000 of volume

Group Optional Life coverage is underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 93P-LH.

## Employee Optional Life and Dependent Optional Life Renewal Rates

### Employee Optional Life

| Age band | Participating employees | Monthly rate | Estimated monthly volume | Estimated monthly premium |
|---|---|---|---|---|
| Under age 20 | 0 | $0.061 | $0 | $0 |
| 20–24 | 0 | $0.061 | $0 | $0 |
| 25–29 | 2 | $0.061 | $200,000 | $12 |
| 30–34 | 0 | $0.069 | $0 | $0 |
| 35–39 | 2 | $0.091 | $200,000 | $18 |
| 40–44 | 4 | $0.130 | $380,000 | $49 |
| 45–49 | 2 | $0.230 | $51,000 | $12 |
| 50–54 | 6 | $0.371 | $390,000 | $145 |
| 55–59 | 5 | $0.581 | $500,000 | $291 |
| 60–64 | 4 | $0.910 | $450,000 | $410 |
| 65–69 | 2 | $1.629 | $130,000 | $212 |
| 70–74 | 1 | $2.921 | $19,500 | $57 |
| 75–79 | 0 | $4.821 | $0 | $0 |
| 80–84 | 0 | $9.761 | $0 | $0 |
| 85 and over | 0 | $9.761 | $0 | $0 |

Rate basis: Per $1,000 of volume

### Spouse Optional Life

| Age band | Participating employees | Monthly rate | Estimated monthly volume | Estimated monthly premium |
|---|---|---|---|---|
| Under age 20 | 0 | $0.061 | $0 | $0 |
| 20–24 | 0 | $0.061 | $0 | $0 |
| 25–29 | 0 | $0.061 | $0 | $0 |
| 30–34 | 0 | $0.069 | $0 | $0 |
| 35–39 | 1 | $0.091 | $50,000 | $5 |
| 40–44 | 2 | $0.130 | $90,000 | $12 |
| 45–49 | 2 | $0.230 | $11,000 | $3 |
| 50–54 | 1 | $0.371 | $30,000 | $11 |
| 55–59 | 3 | $0.581 | $150,000 | $87 |
| 60–64 | 2 | $0.910 | $90,000 | $82 |
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# Basic Life

## Plan design and rates

### Employee Basic Life and AD&D plan design

| | |
|---|---|
| **Employee Basic Life** | |
| Eligible employees | All Full-Time United States Employees working in the United States who are scheduled to work a minimum of 30 hours per week |
| Effective Date | October 1, 2024 |
| | **Class 1** |
| Class description | All Eligible Employees |
| Waiting Period | First of the month following 90 days of employment |
| Benefit amount | Flat $20,000 |
| Maximum benefit | $20,000 |
| Guaranteed Issue amount | Up to the maximum benefit |
| Contributions | Noncontributory |
| Participation requirement | 100% |

| | |
|---|---|
| **Employee Basic AD&D** | |
| Eligible employees | All Full-Time United States Employees working in the United States who are scheduled to work a minimum of 30 hours per week |
| Effective Date | October 1, 2024 |
| | **Class 1** |
| Class description | All Eligible Employees |
| Benefit amount | Flat $20,000 |
| Maximum benefit | $20,000 |
| Compulsory coverage | Yes |
| Contributions | Noncontributory |
| Participation requirement | 100% |

### Basic Life rates

| Coverage | Total employees | Monthly rate | Total estimated monthly volume | Total estimated monthly premium | Total estimated annual premium |
|---|---|---|---|---|---|
| Employee Basic Life | 334 | $0.300 | $6,680,000 | $2,004 | $24,048 |
| Employee Basic AD&D | 334 | $0.024 | $6,680,000 | $160 | $1,924 |
| **Total estimated premium** | | | | $2,164 | $25,972 |

Rate basis: Per $1,000 of volume

There could be income tax and ERISA implications when the employer-funded Basic Life rates are subsidized by employee-funded Optional Life rates. Subsidized rates may create additional imputed income for some employees (under IRC Section 79) and may implicate ERISA's fiduciary rules. You should review these issues with your tax and ERISA counsel before implementing a subsidized group basic and optional life plan.

Sequence Number: 2

### Included in this plan:

- This proposal is net of broker commissions
- 24-month rate guarantee from the Effective Date
- Employee age reductions: None
- Waiver of Premium: For employees with an approved disability prior to age 65, premium is waived until age 65 or for 12 months (whichever is later). For employees disabled on or after age 65 but prior to age 70, premium is waived for 12 months. There is no Elimination Period to satisfy before the Waiver of Premium begins.

  Waiver of Premium is provided on the following benefits: Employee Basic Life.

Group Basic Life and AD&D coverage is underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 93P-LH.

- Portability: Coverage may be ported upon termination of active employment.
- Conversion Privilege
- Employee Accelerated Death Benefit of 75% to a maximum of $500,000.
- If Value-Added Services Choice #1 is selected, Emergency Travel Assistance is included for all employees and their dependents, and Identity Theft Protection is included for all employees.[7]
- If Value-Added Services Choice #2 is selected, Claimant Support Services and Online Will Preparation are included for all employees and their dependents.[3]
- Coverage will be continued on a premium-paying basis for a period of 1 month(s) during a layoff.
- Coverage will be continued on a premium-paying basis for a period of 1 month(s) during a leave of absence approved by the policyholder.
- Coverage will be continued on a premium-paying basis for a period of 12 month(s) during a period of injury or sickness.
- Earnings definition: Earnings are defined as the current earnings reported by the employer. Earnings include deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. Earnings do not include commissions, bonuses, overtime, or any other compensation.
- 24-hour AD&D coverage
- Special AD&D benefits:
  - Air Bag
  - Bereavement Counselling
  - Business Travel
  - Dependent Education - Child
  - Dependent Education - Spouse
  - Helmet
  - Seat Belt

Footnote information is located in the General Disclosures section on the last page of this proposal

Group Basic Life and AD&D coverage is underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 93P-LH.

# Optional Life

## Plan design and rates

### Employee Optional Life and Dependent Optional Life plan design

**Employee Optional Life**

| | |
|---|---|
| Eligible employees | All Full-Time United States Employees working in the United States enrolled in Employee Basic Life Insurance who are scheduled to work a minimum of 30 hours per week |
| Effective Date | October 1, 2024 |
| | **Class 1** |
| Class description | All Eligible Employees |
| Waiting Period | First of the month following 90 days of employment |
| Benefit amount | Increments of $10,000 |
| Maximum benefit | $500,000 or 5 times annual earnings, whichever is less |
| Guaranteed Issue amount | $100,000 or 3 times annual earnings, whichever is less |
| Participation requirement | 25% |

**Spouse Optional Life**

| | |
|---|---|
| Eligible employees | All Full-Time United States Employees working in the United States enrolled in Employee Optional Life Insurance who are scheduled to work a minimum of 30 hours per week |
| Effective Date | October 1, 2024 |
| | **Class 1** |
| Class description | All Eligible Employees |
| Spouse benefit amount | Increments of $5,000 |
| Spouse maximum benefit | $50,000 |
| Spouse Guaranteed Issue amount | Up to the maximum benefit |
| Maximum % of employee coverage | 50% |
| Spouse termination age | 70 |

Employee must elect Optional Life to elect Dependent Optional Life

**Child Optional Life**

| | | |
|---|---|---|
| Eligible employees | All Full-Time United States Employees working in the United States enrolled in Employee Optional Life Insurance who are scheduled to work a minimum of 30 hours per week | |
| Effective Date | October 1, 2024 | |
| | **Class 1** | |
| Class description | All Eligible Employees | |
| Child benefit amount | Increments of $2,000 | |
| Child maximum benefit | $10,000 | |
| Full child benefit begins | 6 months | |
| Child benefit by age | 14 days to 6 months | $500 |
| Child eligibility | Unmarried dependent children from 14 days to age 25 or to age 25 if full-time student | |
| Maximum % of employee coverage | 50% | |

Employee must elect Optional Life to elect Dependent Optional Life

### Optional Life rates

**Employee Optional Lfe**

| Age band | Participating employees | Monthly rate | Estimated monthly volume | Estimated monthly premium |
|---|---|---|---|---|
| Under age 20 | 0 | $0.061 | $0 | $0 |
| 20–24 | 0 | $0.061 | $0 | $0 |

Group Optional Life coverage is underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 93P-LH

| | | | | |
|---|---|---|---|---|
| 25–29 | 2 | $0.061 | $200,000 | $12 |
| 30–34 | 0 | $0.069 | $0 | $0 |
| 35–39 | 2 | $0.091 | $200,000 | $18 |
| 40–44 | 4 | $0.130 | $380,000 | $49 |
| 45–49 | 2 | $0.230 | $51,000 | $12 |
| 50–54 | 6 | $0.371 | $390,000 | $145 |
| 55–59 | 5 | $0.581 | $500,000 | $291 |
| 60–64 | 4 | $0.910 | $450,000 | $410 |
| 65–69 | 2 | $1.629 | $130,000 | $212 |
| 70–74 | 1 | $2.921 | $19,500 | $57 |
| 75–79 | 0 | $4.821 | $0 | $0 |
| 80–84 | 0 | $9.761 | $0 | $0 |
| 85 and over | 0 | $9.761 | $0 | $0 |

Rate basis: Per $1,000 of volume

Spouse Optional Life

| Age band | Participating employees | Monthly rate | Estimated monthly volume | Estimated monthly premium |
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| Under age 20 | 0 | $0.061 | $0 | $0 |
| 20–24 | 0 | $0.061 | $0 | $0 |
| 25–29 | 0 | $0.061 | $0 | $0 |
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| 40–44 | 2 | $0.130 | $90,000 | $12 |
| 45–49 | 2 | $0.230 | $11,000 | $3 |
| 50–54 | 1 | $0.371 | $30,000 | $11 |
| 55–59 | 3 | $0.581 | $150,000 | $87 |
| 60–64 | 2 | $0.910 | $90,000 | $82 |
| 65–69 | 1 | $1.629 | $20,000 | $33 |

Rate basis: Per $1,000 of volume

## Totals

| Coverage | Total participating employees | Monthly rate | Total estimated monthly volume | Total estimated monthly premium | Total estimated annual premium |
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| Employee Optional Life | 28 | N/A | $2,320,500 | $1,205 | $14,459 |
| Spouse Optional Life | 12 | N/A | $441,000 | $232 | $2,778 |
| Child Optional Life | 12 | $0.187 | $105,000 | $20 | $236 |
| **Total estimated premium:** | | | | $1,456 | $17,474 |

Rate basis: Per $1,000 of volume

Sequence Number: 2

## Included in this plan:

- A flat 10% broker commission
- 24-month rate guarantee from the Effective Date
- Employee age reductions: All coverage amounts reduce to 65% at age 70, 50% at age 75.
- Spouse age reductions: None
- Waiver of Premium: For employees with an approved disability prior to age 65, premium is waived until age 65 or for 12 months (whichever is later). For employees disabled on or after age 65 but prior to age 70, premium is waived for 12 months. There is no Elimination Period to satisfy before the Waiver of Premium begins.
  Waiver of Premium is provided on the following benefits: Employee Optional Life.
- Portability: Coverage may be ported upon termination of active employment.
- Conversion Privilege
- Employee Accelerated Death Benefit of 75% to a maximum of $500,000

Group Optional Life coverage s underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 93P-LH.

- Coverage will be continued on a premium-paying basis for a period of 1 month(s) during a layoff.
- Coverage will be continued on a premium-paying basis for a period of 1 month(s) during a leave of absence approved by the policyholder.
- Coverage will be continued on a premium-paying basis for a period of 12 month(s) during a period of injury or sickness.
- Employee coverage is rounded to the next highest $1,000.
- Earnings definition: Earnings are defined as the current earnings reported by the employer. Earnings include deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. Earnings do not include commissions, bonuses, overtime, or any other compensation.

Group Optional Life coverage is underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) under Policy Form Series 93P-LH.

## Assumptions

- Dependents are eligible for coverage only when the employee is insured. Dependent coverage amounts are subject to state requirements.
- Coverage for dependents who are hospital-confined due to illness or injury will be effective on the date they are no longer hospital-confined. Hospital-confined does not apply to a newborn child.
- Notification of any employer-completed merger or acquisition.
- Evidence of Insurability is required for late entrants, coverage increases, and coverage in excess of the Guaranteed Issue amount.