



**A Proposal of Employee Benefits  
from The Hartford for  
the U.S. Employees of**

# **Prosper Independent School District**

**Hospital Indemnity Insurance**

**Presented by: Financial Benefit Services LLC**

**Proposal valid until: 3/22/2020**



## Hospital Indemnity (HI) Insurance

**Hospital Indemnity Benefits** – The Hartford’s Hospital Indemnity plan(s) will pay a scheduled benefit for hospital<sup>1</sup> confinement that occurs for a covered person while insurance is in effect. Additional benefits for certain services or treatments may also be available, if described below. All benefits are subject to applicable policy limitations and exclusions. State specific variations may apply to the benefits shown below.

**HSA Compatibility** – The IRS limits the types of supplemental insurance that an individual who participates in a Health Savings Account (HSA) may have, while still maintaining the tax-exempt status of HSA contributions. The Hartford offers plan designs that are designed to be HSA compatible. However, in any circumstance, please consult a tax and/or legal advisor to determine which supplemental insurance may be purchased by employees who participate in a HSA. Plan design(s) that are designed to be HSA compatible are indicated below.

<b>Policy Information</b>	<b>Detail</b>	
Class Description(s)	All Active Full-time Employees	
Min. Hours for Active Work	20 hours per week	
Plan Options	Plan 2, Plan 3	
Plan Choice	The policyholder may select one plan design to offer to employees	
Underwriting Type	Guaranteed issue for all covered persons	
Benefit Accrual Period	Policy Year	
Dependent Coverage	Available	
Dependent Benefit Amounts	Dependent benefit amounts are the same as employee benefit amounts unless otherwise noted	
<b>Plan Information</b>	<b>Plan 2</b>	<b>Plan 3</b>
Coverage Type	24 Hour	24 Hour
Covered Events	Illness and Injury	Illness and Injury
Pregnancy Coverage <sup>5</sup> (SAAOI – Same as Any Other Illness)	SAAOI	SAAOI
Pre-Existing Condition Limitation	Not Included, Day 1 Coverage	Not Included, Day 1 Coverage
HSA Compatible	Yes	Yes
<b>Benefit(s)</b>	<b>Plan 2</b>	<b>Plan 3</b>
First Day Hospital Confinement	\$1,100; Once/year	\$2,200; Once/year
Daily Hospital Confinement	\$100; Up to 30 days/year	\$100; Up to 30 days/year
Daily ICU Confinement	\$150; Up to 10 days/year	\$150; Up to 10 days/year
<b>Additional Features &amp; Services</b>		
Continuity of Coverage from a Prior Plan	Included	
Continuation of Coverage	Included	
Portability	Included	
Ability Assist <sup>® 2</sup>	Included	
Health Champion <sup>SM 2</sup>	Included	
<b>Eligible Lives &amp; Enrollment Information</b>		
Number of Eligible Employees	1843	
Enrollment Type	Annual Open Enrollment <sup>3</sup>	
<b>Premium &amp; Rate Information</b>	<b>Plan 2</b>	<b>Plan 3</b>
Premium Structure	Voluntary(100% employee paid)	Voluntary(100% employee paid)
Cost-Sharing Structure	NA	NA
Coverage Tier Structure	Four tier (Employee; Employee & Spouse/Partner; Employee & Child(ren); Family)	
Initial Rate Guarantee Period	3 Years, subject to attainment of 10% participation	
Premium/Rate Mode	Monthly	
<b>Rates<sup>4</sup></b>	<b>Plan 2</b>	<b>Plan 3</b>
Employee	\$14.28	\$25.25



Employee & Spouse/Partner	\$25.48	\$44.87
Employee & Child(ren)	\$26.52	\$46.33
Family	\$39.74	\$69.45

- <sup>1</sup> Hospital does not include: convalescent homes, or convalescent, rest or nursing facilities; facilities affording primarily custodial, educational or rehabilitative care; or facilities primarily for care of the aged/elderly, persons with substance abuse issues/disorders or mental/nervous disorders. Confined means the assignment to a bed in a medical facility for a period of at least 20 hours. State variations may apply.
- <sup>2</sup> HealthChampion<sup>SM</sup> and Ability Assist<sup>®</sup> are offered through The Hartford by ComPsych<sup>®</sup>. ComPsych is not affiliated with The Hartford and is not a provider of insurance services. The Hartford is not responsible and assumes no liability for the goods and services provided by ComPsych.
- <sup>3</sup> Assumes all eligible employees can enroll in the plan and/or increase existing benefits without providing evidence of insurability during the scheduled initial enrollment period and subsequent scheduled enrollment periods occurring annually thereafter. Pre-existing condition limitations may apply.
- <sup>4</sup> Rates/benefits may change on a class or plan basis.
- <sup>5</sup> Complications of pregnancy (as defined in the policy) are always covered under the policy without limitation.

Hospital Indemnity (please confirm what sold):

Plan 2 ✓      Plan 3 ✓

SIGNATURE CONFIRMS THE ABOVE SOLD RATES AND PLAN DESIGN OPTION(S).

Printed

Name: Amber Battle

Signature: Amber Battle

Title: Senior Account Executive

Date: 3/3/2020

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## Qualifications and Assumptions

### The following are the qualifications upon which this proposal is based:

Our quote is contingent upon receipt of complete census data including voluntary coverage elections. All missing information must be received prior to the quote "valid until date" listed on the cover of this proposal. The quote will not be binding until all missing information is received, reviewed, and approved in writing by The Hartford.

### The following are assumptions upon which this proposal is based:

1. The effective date of this case will be 9/1/2020.
2. Proposal and rates are valid until 3/22/2020.
3. Rates assume a SIC code of 8211.
4. Quote assumes a situs state of Texas. The Hartford standard filed contract language applies, subject to state exceptions. If specially drafted contract language is approved by Underwriting, then it is subject to approval by the Department of Insurance.
5. Assumes a fully insured, non-participating, non-dividend eligible funding arrangement, unless otherwise specified.
6. Assumes employees must be actively-at-work on the effective date and the deferred effective date provision applies.
7. The Hartford reserves the right to re-price:
  - If the sold plan design differs from the proposed/quoted plan design.
  - For change in State or Federal insurance regulations that impact the plan design.
  - If a material misstatement of the information provided in the RFP, bid specifications, claim experience, or plan of benefits is discovered post-sale.
  - If the quoted minimum enrollment threshold is not met.
8. If any contributory lines of coverage are sold, a 45-day Grace Period will apply to all lines of coverage.
9. We assume the company has been in business for at least 2 years. If otherwise, additional underwriting approval will be required prior to sale.
10. Assumes claims incurred prior to the effective date of the contract will be the liability of the prior carrier.
11. Assumes the plan of benefits is subject to ERISA regulations.
12. Quote assumes 1 Contract/Booklet, 1 Bill Unit, and 1 Experience Unit.
13. Coverage for Retirees is not included.
14. We assume all eligible employees are U.S. citizens or U.S. residents, working in U.S. locations who have met the full time eligibility requirements. If coverage is needed for any other type of employees such as Expatriates, U.S. Expatriates, Third Country Nationals, or Local Nationals, please review the request with The Hartford.
15. If at least 10% participation is not achieved for this product, The Hartford reserves the right to adjust the Rate Guarantee to one (1) year or to re-evaluate the risk.
16. If coverage for pregnancy is anything other than SAAOI for any proposed plan, in response to the potential policyholder's or broker's request, a limitation period or exclusion for normal pregnancy has been included in the applicable plan. We encourage the potential policyholder to review the separate limitation period or exclusion for normal pregnancy with the policyholder's employment attorney(s) to ensure the limitation period or exclusion meets expectations under any applicable state and federal law(s). Please note that complications of pregnancy (as defined in the policy) are always covered under the policy without limitation or exclusion.

This proposal is only a summary of the benefits offered to your company. The rates and costs shown in this proposal are based on the information provided. Rates may be affected by the actual enrollment and (transferred business information) provided. This proposal does not constitute a final offer or agreement. It is the producer's responsibility to present all terms and conditions in this proposal.

## Deviations

This proposal reflects the standard product and, consequently, may deviate from the features and/or plan designs requested. Accordingly, please review the proposal carefully. Unless otherwise listed below, specific areas where the proposal deviates from the request have not been identified. Please note that this proposal does not constitute a final offer or agreement, and it is only a summary of the benefits offered.

The rates and costs shown in this proposal are based on the information provided. Rates may be affected by the actual enrollment (and transferred business information) provided. Please consult with the producer regarding all terms and conditions in this proposal.



## Hospital Indemnity (HI) Insurance Benefit and Feature Information

*Please note the following descriptions that further explain some of our benefits and features. The descriptions are based on our standard language. The information provided below is applicable in most states, however, please be aware that state variations may apply.*

### Hospital Indemnity (HI) Insurance

The added financial stress of being in the hospital can make recovery from an accident or serious illness more challenging. Even with the best primary health insurance plan, out-of-pocket costs from a hospital stay can add up. This insurance pays a fixed indemnity benefit for each day a covered person is confined in a hospital for a covered event, with optional additional daily benefits for related services. These benefits can help offset expenses that primary health insurance doesn't cover (like deductibles, co-insurance amounts or co-pays), or benefits can be used for any non-medical expenses (like housing costs, groceries, car expenses, etc.). Lump sum benefits are paid to the employee (or designated beneficiary) based on the amount stated in the schedule of benefits and subject to any plan limitations or exclusions.

As medical costs continue to rise and employers continue to increase employees' share of these costs, HI provides an additional level of financial protection. Employers can make this insurance available without affecting the company's bottom line (voluntary/100% employee-paid), or they can fund all or some of the cost of this insurance to help minimize the impact of more significant health insurance plan changes (noncontributory/100% employer-paid or contributory/cost-sharing). Both HSA compatible and non-HSA compatible expanded plan designs are available.

### Voluntary Enrollment Services

We are committed to making it as easy as possible to communicate information on your plan and the associated cost to your employees. Our goals are to engage employees so they fully understand the benefits offering, and make it easy for them to enroll.

To accomplish this, we will prepare enrollment packages for employees that include:

- Benefits information to help employees better understand the need for coverage and their employer's benefits offering, including online educational tools, brochures, calculators, etc.
- Benefit Highlight Sheets describing plan provisions in more detail to help explain product offerings.
- Personalized Enrollment Forms for each employee to help simplify the employee's purchase decision displaying costs (payroll deduction amount) based on the employee's age, salary, and coverage choices. This service is offered at no charge to employers.

To help ensure a smooth enrollment process and to maximize participation, we will work with you to:

- Develop a comprehensive enrollment strategy that best fits the case.
- Identify the appropriate tools to support the enrollment strategy. (e.g. online enrollment, onsite meetings, employee-focused communication materials, etc.)
- Create a census that allows us to produce a detailed and personalized enrollment package for each employee.
- Assess the needs for an on-site benefits counselor to help explain coverage options and plan details as well as answer questions related to enrollment.
- Identify an enrollment period convenient for you, but that also provides us sufficient time to manage the post-enrollment process.
- Identify post enrollment communication needs including tabulating enrollment results (coverage elections and related payroll deduction amounts) and transferring those results over to the employer electronically.

### Enrollment Type

**Annual Open Enrollment:** This standard enrollment type has scheduled enrollment periods for initial enrollment and for subsequent enrollments occurring annually thereafter. Annual Open Enrollment requires that certain employer characteristics are met and defined enrollment experience practices are agreed upon and implemented by the employer (in partnership with The Hartford).

These practices include:

- Personalized enrollment experience created online or through paper forms.



- Mandatory employee group meetings (or alternatively, Benefit Fairs with MyTomorrow® interactive presentation).
- Employer support of enrollment events to help ensure the attendance of at least 75% of eligible employees.
- On-site Hartford benefit counselors at each employer location for employee group meetings, Benefit Fairs and possible on-site enrollment.

Coverage is guaranteed issue and does not require evidence of insurability, including when:

- Enrolling or changing coverage during any scheduled annual enrollment period.
- Enrolling new hires within 31 days of eligibility.
- Enrolling or changing coverage within 31 days of Change in Family Status.

Electing or changing coverage outside of scheduled annual enrollment periods (or additional enrollment events, if available) or qualified Family Status Change periods is not permitted. Enrollment or coverage changes will be deferred until the next scheduled annual enrollment period.

For certain coverages, pre-existing condition limitations apply.

### **Ability Assist® Employee Assistance Program<sup>2</sup>**

Employees receive professional counseling for financial, legal and emotional issues, 24/7/365. Includes unlimited phone access and three face-to-face sessions per year. Services are also available to spouses and dependent children.

### **HealthChampion<sup>SM</sup> Health Care Support Service<sup>2</sup>**

This service offers unlimited access to benefit specialists and nurses for administrative and clinical support to address medical care and claims concerns. Available services include: claim and billing support, explanation of benefits, cost estimates/fee negotiation, information related to conditions and available treatments and support to help prepare for medical visits. Specialists are only available during business hours. Inquiries outside of this timeframe can either request a call-back the next day or schedule an appointment.

### **Portability**

The Hartford's hospital indemnity policies allow insureds to port their coverage due to a qualifying event. With this valuable feature, participants can port their coverage with a choice of three different plan designs. All an employee has to do is enroll for portability at termination. The choice in plan design allows the employee to select the coverage that best meets their financial protection needs at the time of port.

Since the coverage is offered at a group rate, this can be an affordable way for many insureds to help stay protected even when they leave their employer, subject to a pre-existing condition limitation.

Portability is not available if an employee or covered dependent is entering active military service. An employee cannot port coverage if termination of coverage is due to non-payment of premium, termination of the group policy or termination of the employer as a participating employer under a group policy.

State variations may apply.

### **Continuation of Coverage**

The Hartford's policies allow insurance to continue under the group plan in certain circumstances when an employee is unable to satisfy the active work and/or minimum work hours requirements of a plan, such as when an employee is on family or medical leave. Flexible options are available to suit the needs of any group.

### **Continuity of Coverage**

The Hartford's policies include a clause that allows the insured person who was previously insured under a group hospital indemnity (or similar) policy offered by another insurance carrier, to enroll in our plan. The insured will be enrolled for the same coverage tier in effect under the prior plan, unless a different tier is elected by the insured.



## Hospital Indemnity (HI) Insurance – Limitations & Exclusions

Please note the following descriptions that further explain some of our features. The descriptions are based on our standard language.

### Other Hospital Indemnity Policy Limitation (Over-insurance Limitation)

If an employee is insured under any other hospital indemnity policy underwritten by The Hartford, any claim for benefit is only payable under the one policy elected by the employee (or beneficiary or estate, in the event of death).

We will return the amount of premium paid for any other policy that is declined by the employee retroactive to the later of:

- the last date any benefit was paid for any covered person under the other policy
- the effective date of insurance for the employee under the other policy

State variations may apply.

### Exclusions

A benefit is not payable for any illness or injury that results from or is caused by a covered person's:

- suicide or attempted suicide, whether sane or insane, or intentional self-infliction
- voluntary intoxication (as defined by the law of the jurisdiction in which the illness or injury occurred) or while under the influence of any narcotic, drug or controlled substance, unless administered by or taken according to the instruction of a physician or medical professional
- voluntary intoxication through use of poison, gas or fumes, whether by ingestion, injection, inhalation or absorption
- voluntary commission of or attempt to commit a felony, voluntary participation in illegal activities (except for misdemeanor violations), voluntary participation in a riot, or voluntary engagement in an illegal occupation
- incarceration or imprisonment following conviction for a crime
- travel in or descent from any vehicle or device for aviation or aerial navigation, except as a fare-paying passenger in a commercial aircraft (other than a charter airline) on a regularly scheduled passenger flight or while traveling on business of the policyholder
- ride in or on any motor vehicle or aircraft engaged in acrobatic tricks/stunts (for motor vehicles), acrobatic/stunt flying (for aircraft), endurance tests, off-road activities (for motor vehicles), or racing
- participation in any organized sport in a professional or semi-professional capacity
- participation in abseiling, base jumping, Bossaball, bouldering, bungee jumping, cave diving, cliff jumping, free climbing, freediving, freerunning, hang gliding, ice climbing, Jai Alai, jet powered flight, kite surfing, kiteboarding, lugging, mountain biking, mountain boarding, mountain climbing, mountaineering, parachuting, paragliding, parakiting, paramotoring, parasailing, Parkour, proximity flying, rock climbing, sail gliding, sandboarding, scuba diving, sepak takraw, slacklining, ski jumping, skydiving, sky surfing, speed flying, speed riding, train surfing, tricking, wingsuit flying, or other similar extreme sports or high risk activities
- travel or activity outside the United States or Canada
- active duty service or training in the military (naval force, air force or National Guard/Reserves or equivalent) for service/training extending beyond 31 days of any state, country or international organization, unless specifically allowed by a provision of the policy
- involvement in any declared or undeclared war or act of war (not including acts of terrorism), while serving in the military or an auxiliary unit attached to the military, or working in an area of war whether voluntarily or as required by an employer

In addition, benefits are not payable unless required by law for:

- elective abortion or complications thereof
- artificial insemination, in vitro fertilization, test tube fertilization
- sterilization, tubal ligation or vasectomy, and reversal thereof
- aroma therapeutic, herbal therapeutic, or homeopathic services
- any mental and nervous disorder, unless specifically allowed by a provision of the policy
- substance abuse, unless specifically allowed by a provision of the policy
- medical mishap or negligence on the part of any physician, medical professional, or therapist, including malpractice

- treatment, supplies or services provided by, through or, behalf of any government agency or program; unless payment is required by a covered person
- custodial care, unless specifically allowed by a benefit provision in the policy or any rider attached to the policy (if applicable);
- elective or cosmetic surgery or procedures, except for reconstructive surgery:
  - incidental to or following surgery for disease, infection or trauma of the involved body part
  - due to congenital anomaly or disease of a dependent child which has resulted in a functional defect
- dental care or treatment, except for:
  - treatment due to an injury to sound natural teeth within 12 months of the accident
  - treatment necessary due to congenital disease or anomaly

State variations may apply.

## Hospital Indemnity (HI) Insurance – Commissions

### Commissions and Other Payments to Producers

**Note to Producers:** In 2015, we changed the way that we administer flat commissions. Flat commissions will continue to be an alternative to graded commissions. For all proposals with a flat commission, the policyholder must receive the services listed in Schedule C or E of the current Group Insurance Producer Agreement, which are available to you on our website <http://thehartford.com/group-benefits-producer-compensation> and on the Producer View website at [www.ProducerView.com](http://www.ProducerView.com).

The Hartford compensates producers for the sale and service of our products. In most cases, producers are paid a Commission, which is either a graded or fixed flat percentage of the premium and is incorporated into the premium rate(s). In addition, producers may be eligible for various types of Other Payments. Other Payments are incurred as general operating expenses of The Hartford and will not be directly charged to any policy issued as the result of this quote.

Commissions and certain Other Payments are paid pursuant to the Hartford's Group Insurance Producer Agreement ("GIPA"). Quotes based on fixed or flat percentage commissions reflect services provided by the producer to the policyholder. We rely on the producer to determine that these commissions are supported by services described in the GIPA. The Hartford reports Commissions and Other Payments on the annual Schedule A Worksheet provided to policyholders in accordance with applicable law.

For additional information regarding eligibility for Commissions and Other Payments and terms and conditions relating thereto, please review our website <http://thehartford.com/group-benefits-producer-compensation> or contact your Hartford representative. Producers may also access the GIPA on Producer View.

Schedule C: A flat commission rate of 15.00% has been built into the rates presented in this proposal.

**THIS IS A HOSPITAL CONFINEMENT INDEMNITY POLICY. THE POLICY PROVIDES LIMITED BENEFITS.** This limited benefit plan (1) does not constitute major medical coverage, and (2) does not satisfy the individual mandate of the Affordable Care Act (ACA) because the coverage does not meet the requirements of minimum essential coverage.

The Hartford® is The Hartford Financial Services Group, Inc. and its subsidiaries, including underwriting companies Hartford Life and Accident Insurance Company and Hartford Fire Insurance Company. Home Office is Hartford, CT. All benefits are subject to the terms and conditions of the policy. Policies underwritten by the underwriting companies listed above detail exclusions, limitations, reduction of benefits and terms under which the policies may be continued in force or discontinued. This proposal explains the general purpose of the insurance described, but in no way changes or affects the policy as actually issued. In the event of a discrepancy between this proposal and the policy, the terms of the policy apply. Complete details are in the Certificate of Insurance issued to each insured individual and the Master Policy as issued to the policyholder. Benefits are subject to state availability.

This proposal includes a quote(s) for one or more products, which are issued on the following forms: Accident Form Series includes GBD-2000, GBD-2300, or state equivalent. Accidental Death and Dismemberment Form Series for all states except PR, WA and CA includes GBD-1000 and GBD-1300, or state equivalent, and in PR, WA and CA Form 7582 and Form PA-5427, or state equivalent. Critical Illness Form Series includes GBD-2600, GBD-2700, or state equivalent. Disability Form Series includes GBD-1000, GBD-1200, or state equivalent. Life Form Series includes GBD-1000, GBD-1100, Z-PORT, or state equivalent. Hospital Indemnity Form Series includes GBD-2800, GBD-2900, or state equivalent.

