

Proposal for: COOR ISD  
Effective Date: July 1, 2016  
Prepared by: BRENT STERLING  
Group Non-Medical Sales and Services

CG Financial Services

Thank you for considering Principal Life's group insurance for your employee benefits program. This proposal includes rates and benefits information for:

- ✓ GROUP TERM LIFE
- VOLUNTARY TERM LIFE
- SHORT-TERM DISABILITY
- ✓ LONG-TERM DISABILITY
- ✓ DENTAL
- ✓ VISION
- CRITICAL ILLNESS

## Depend on Principal Life

You can count on Principal Life for the choice, flexibility and support you need. Our broad portfolio of products includes life, short-term disability, long-term disability, dental, vision and critical illness insurance. These comprehensive benefits help you attract and retain the most qualified employees.

Our commitment to you doesn't stop with the sale. Professional staff assists with employee education, enrollment and account management. And our experienced local sales and service teams help meet your needs – every step of the way.

## Rates

COOR ISD



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GROUP TERM LIFE					
	Employee Monthly Rate	Volume	Lives	Estimated Monthly Cost	Estimated Annual Cost
Group Term Life	\$.131 (per \$1,000)	\$1,980,000	45	\$259.38	\$3,112.56
AD&D	\$.022 (per \$1,000)	\$1,980,000	45	\$43.56	\$522.72
RATE GUARANTEE: Two years, unless volume increases or decreases by more than 25%					

LONG TERM DISABILITY % of CME <sup>1</sup>				
Rate	Volume	Lives	Estimated Monthly Cost	Estimated Annual Cost
\$.38	\$164,284	45	\$624.28	\$7,491.35
RATE GUARANTEE: Two years, unless covered monthly earnings increase or decrease by more than 25% since the last policy anniversary				
<sup>1</sup> Covered monthly earnings				

DENTAL				
	Lives	Monthly Rate	Estimated Monthly Cost	Estimated Annual Cost
Employee	12	\$28.83	\$345.96	\$4,151.52
Employee & 1 Dependent	7	\$52.69	\$368.83	\$4,425.96
Family	26	\$94.41	\$2,454.66	\$29,455.92
RATE GUARANTEE: One year				
Rate includes:				
<ul style="list-style-type: none"> <li>Orthodontia - Child</li> </ul>				

VISION				
	Lives	Monthly Rate	Estimated Monthly Cost	Estimated Annual Cost
Employee	12	\$7.53	\$90.36	\$1,084.32
Employee & Spouse	7	\$13.88	\$97.16	\$1,165.92
Employee & Child(ren)	0	\$15.14	\$0.00	\$0.00
Family	26	\$23.40	\$608.40	\$7,300.80
RATE GUARANTEE: One year				

Insurance underwritten by Principal Life Insurance Company

GP61690 | 10/2015 | Proposal number: 05171610444-13 | Today's date: 05/31/2016 | SIC code: 8211

## Group Term Life

COOR ISD



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GROUP TERM LIFE FOR NON UNION SUPPORT MEMBERS	
<b>Life Benefit</b>	\$40,000 benefit
<b>Accidental Death &amp; Dismemberment</b>	\$40,000 benefit Coverage for employees on and off the job.
<b>Benefit Age Reduction</b>	35% reduction at age 65 and an additional 15% reduction at age 70 Age reductions apply to the benefit amount after proof of good health.
<b>Proof of Good Health</b>	Required for life insurance amounts greater than \$100,000  Persons age 70 and over shall have an amount that is the lesser of the amount shown or the amount with the prior carrier.  Proof of good health is required if on the date the member becomes eligible for coverage there are fewer than five members insured.

GROUP TERM LIFE FOR TEACHERS	
<b>Life Benefit</b>	\$30,000 benefit
<b>Accidental Death &amp; Dismemberment</b>	\$30,000 benefit Coverage for employees on and off the job.
<b>Benefit Age Reduction</b>	35% reduction at age 65 and an additional 15% reduction at age 70 Age reductions apply to the benefit amount after proof of good health.
<b>Proof of Good Health</b>	Required for life insurance amounts greater than \$100,000  Persons age 70 and over shall have an amount that is the lesser of the amount shown or the amount with the prior carrier.  Proof of good health is required if on the date the member becomes eligible for coverage there are fewer than five members insured.

GROUP TERM LIFE FOR ADMIN MEMBERS	
<b>Life Benefit</b>	\$100,000 benefit
<b>Accidental Death &amp; Dismemberment</b>	\$100,000 benefit Coverage for employees on and off the job.

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### ...continued

<b>Benefit Age Reduction</b>	35% reduction at age 65 and an additional 15% reduction at age 70 Age reductions apply to the benefit amount after proof of good health.
<b>Proof of Good Health</b>	Required for life insurance amounts greater than \$100,000  Persons age 70 and over shall have an amount that is the lesser of the amount shown or the amount with the prior carrier.  Proof of good health is required if on the date the member becomes eligible for coverage there are fewer than five members insured.

### ADDITIONAL BENEFITS

<b>Accelerated Benefits</b>	Terminally ill employees can receive up to 75% of their life insurance benefit, up to \$250,000, if their life expectancy is 12 months or less (as diagnosed by a physician) and the death benefit is at least \$10,000. When an employee uses the accelerated benefit, the death benefit is reduced by the accelerated benefit payment. There are possible tax consequences to receiving an accelerated benefit payment and the employee should contact a tax advisor for details. Receipt of accelerated benefits could also affect eligibility for public assistance.
<b>Coverage During Disability</b>	If an employee becomes totally disabled before age 60, coverage will continue and premium will be waived. The employee must be totally disabled for 9 months before the waiver begins. Coverage continues without premium payment until the employee recovers or turns age 65, whichever occurs first. No benefits will be paid for any disability that results from: willful self-injury or self-destruction, while sane or insane / war or act of war / voluntary participation in an assault, felony, criminal activity, insurrection, or riot.
<b>Accidental Death &amp; Dismemberment</b>	Benefit is paid when the loss occurs within 365 days of the accident. <ul style="list-style-type: none"> <li>Full benefit - Loss of life, loss of both hands, both feet, sight of both eyes, one hand and sight of one eye, one foot and sight of one eye, or one hand and one foot.</li> <li>Half the benefit - Loss of one hand, one foot, or sight of one eye.</li> <li>One fourth the benefit - Loss of thumb and index finger on the same hand.</li> </ul> Additional AD&D benefits: <ul style="list-style-type: none"> <li>Standard package - Seatbelt/airbag, education, repatriation, loss of use/paralysis, loss of speech and/or hearing, exposure, disappearance.</li> </ul>
<b>Individual Purchase Rights</b>	Employees who terminate employment may be able to convert to individual policies. Upon coverage termination, employers are required to inform employees of their right to convert to an individual policy without proof of good health. The purchase amount varies depending on the termination situation.

### HIGHLIGHTS

<b>Participation</b>	<ul style="list-style-type: none"> <li>100% participation for all non-contributory coverages.</li> <li>75% participation for all contributory coverages.</li> </ul>
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...continued

<b>Eligibility</b>	<p><b>EMPLOYEE:</b> Eligible employees include all active, full-time employees living in the United States (except part-time, seasonal, temporary or contract employees) who work at least 30 hours per week.</p> <p><b>DEPENDENT:</b> Eligible dependents include the employee's spouse and children. Additional eligibility requirements may apply.</p>
<b>Express Claim Processing</b>	For claims meeting certain criteria, decisions are reached within 5 working days without the employer or beneficiary submitting paperwork.
<b>Life Benefit Limitations and Exclusions</b>	Benefits are not paid if you are outside the United States for certain reasons for more than six months.
<b>AD&amp;D Limitations</b>	Unless otherwise covered in the policy or required by state or federal law, AD&D benefits are not paid for losses resulting from: willful self-injury or self-destruction / disease or treatment of disease or complications following the surgical treatment of disease / participation in certain criminal activities / participation in certain activities such as flying, ballooning, parachuting, parasailing, bungee jumping or other aeronautic activities / duty as a member of a military organization / war or act of war / the use of alcohol, if the member's alcohol concentration level exceeds the legal limit in the jurisdiction where the injury occurs / the member's operation of a motor vehicle or motor boat if the member's alcohol concentration level exceeds the legal limit in the jurisdiction where the injury occurs / the member's use of certain drugs, narcotics or hallucinogens not prescribed by a licensed physician.

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LONG-TERM DISABILITY FOR TEACHERS	
"Or" Definition of Disability	<p>An employee will be considered disabled if, because of sickness, injury or pregnancy, during the elimination period and own occupation period, one of the following applies:</p> <ul style="list-style-type: none"> <li>• Unable to perform a majority of the substantial and material duties of his/her own occupation; OR</li> <li>• Unable to earn 80% of his/her predisability income while working in his/her own occupation in a modified capacity or any occupation.</li> </ul> <p>An employee will be considered disabled if, after completing the elimination period and own occupation period, one of the following applies:</p> <ul style="list-style-type: none"> <li>• Unable to perform a majority of the substantial and material duties of any occupation for which he/she is or may reasonably become qualified based on education, training or experience; OR</li> <li>• Unable to earn 80% of his/her predisability income while working in his/her own occupation or any occupation in a modified capacity.</li> </ul>
Own Occupation Period	2 years
Elimination Period	90 days
Monthly Benefit	<p>Benefit percentage: 66 2/3% of predisability earnings</p> <p>Maximum: \$3,500</p>
Minimum Monthly Benefit	Minimum: \$50

...continued		
Benefit Duration	<b>To age 65 (reducing benefit duration)</b> For employees who become disabled before age 62, disability benefits are payable until the later of the date they reach age 65 or 42 months after the benefit payment period begins. For employees who become disabled at or after age 62, disability benefits are payable until the date the benefit payment period reaches the number of months shown below:	
	<u>Age disability occurs</u>	<u>Length of benefit payment period</u>
	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 and over	12 months
	Disability benefits end when employees recover, cease to be under the regular and appropriate care of a physician, fail to provide any required proof of disability, fail to submit to a required medical examination, fail to report income from other sources or any other required earnings information, fail to pursue Social Security disability benefits or Workers' Compensation benefits, or die.	
Definition of Earnings	Base wage  Compensation for business owners covers the net profits plus salary, averaged over the prior two calendar years.	
Salary Continuation	Offset	
Preexisting Conditions	No limitation applies	
Mental Health Conditions	24 month benefit limit	
Drug and Alcohol Abuse Conditions	24 month benefit limit	
Special Conditions	24 month benefit limit	
Employer Contributions	Noncontributory - employer pays 100%	
Integration Method	Direct	
Social Security Integration	Primary and family	
Work Incentive Benefit	12 months	
Coverage for Work Related Disabilities	Yes	
Survivor Benefit	3 months gross	
Mandatory Rehabilitation	Included	
	If employees do not comply with the rehabilitation plan without good cause, disability benefits may cease.	

...continued	
Income from Other Sources	<p>We coordinate disability benefits with income disabled employees receive from other sources. These include all retirement or disability benefits that employees and their dependents receive or could have received, from Social Security or other government agencies; salary continuance; personal time off or sick pay; Workers' Compensation benefits; income from state disability plans; payments from policies that provide coverage for time away from work, if paid in part by or deducted from payroll by the policyholder; income from other group disability insurance policies; disability or retirement benefits paid by pension plans sponsored by the policyholder; income received from no-fault auto laws; renewal commissions received from the policyholder; severance pay; and all payments for the month that the member receives under state unemployment laws.</p>
	<p>Other income sources do not include individual disability insurance; profit sharing plans; thrift savings plans; nonqualified deferred compensation plans; 401(k) plans; individual retirement accounts (IRAs); stock ownership plans; Keogh (HR-10) plans; any cost of living increases paid in connection with other sources of income; Social Security or pension plan payments that were being received prior to the current disability; and any income the member receives for services rendered prior to the member's date of disability.</p>
	<p>Any income the Member receives for services rendered prior to the Member's date of Disability will not be considered Other Income Sources.</p>
Limitations	<p>The proposed policy contains restrictions and limitations. Before making a purchase decision, review the following limitations and resolve any questions. The following limitations and restrictions are applied as required by state law or as otherwise described in the group policy.</p> <p><b>Limitations</b></p> <p>No benefits will be paid to employees with disabilities resulting from: willful self injury while sane or insane / war or an act of war / participation in an assault or felony / a new or continuing disability that begins after an employee's benefit payment period has ended, but the employee has not returned to active work.</p>



## ...continued

**Treatment of Mental Health Conditions and Drug and Alcohol Abuse Conditions and Special Conditions**

A disability is considered due to alcohol, drug or chemical abuse, dependency or addiction or a mental health condition or a special condition if the disability is caused by one of these condition(s) and not by other disabling conditions.

The following maximum benefit payment periods apply:

Mental Health Conditions: 24 months

Alcohol, Drug or Chemical Abuse Conditions: 24 months

Special Conditions: 24 months

The benefit payment period listed above is a lifetime maximum for all periods of disability. All disabilities from conditions with the same maximum benefit payment period contribute toward one lifetime maximum. However, if at the end of the benefit duration, an employee is confined in a hospital or any other type of facility providing treatment for any of these conditions, the benefit payment period may be extended to include the time period an employee remains confined for treatment.

Special conditions are considered to be: thoracic outlet syndrome / headaches, such as functional, migraine, organic, sinus and tension / chronic fatigue syndrome / fibromyalgia / temporomandibular joint (TMJ) / cumulative trauma disorder, overuse syndrome or repetitive stress disorder including carpal tunnel and ulnar tunnel syndrome / environmental allergies and multiple chemical sensitivity / musculoskeletal and connective tissue disorders of the neck and back, including any disease or disorder of the cervical, thoracic and lumbosacral back and surrounding soft tissue, including sprains and strains of joints and adjacent muscles, but not including conditions such as arthritis, ruptured intervertebral discs, scoliosis, spinal fractures, spinal tumors, malignancy or vascular malformations.

**Replacement of a Prior Program**

This policy is replacing coverage under a prior program. If employees are not actively at work on the day coverage would become effective or if employees are disabled due to a preexisting condition, they may still qualify for benefits if they had LTD coverage under a prior program or they are not receiving any benefits under the prior program but would have been entitled to these benefits if the prior program remained in force and no provision other than the actively at work provisions would otherwise prohibit benefits from being paid under our policy. Any benefit payable is the lesser of the benefits under our policy or the benefits that would have been paid under the prior program, had it remained in force.

**REHABILITATION BENEFITS**

<b>Reasonable Accommodation Benefit</b>	\$2,000
<b>Rehabilitation Incentive Benefit</b>	5% increase in the monthly benefit percentage for 12 months

...continued

## LONG-TERM DISABILITY FOR

## NON UNION SUPPORT MEMBERS, ADMIN MEMBERS

<b>"Or" Definition of Disability</b>	<p>An employee will be considered disabled if, because of sickness, injury or pregnancy, during the elimination period and own occupation period, one of the following applies:</p> <ul style="list-style-type: none"> <li>• Unable to perform a majority of the substantial and material duties of his/her own occupation; OR</li> <li>• Unable to earn 80% of his/her predisability income while working in his/her own occupation in a modified capacity or any occupation.</li> </ul> <p>An employee will be considered disabled if, after completing the elimination period and own occupation period, one of the following applies:</p> <ul style="list-style-type: none"> <li>• Unable to perform a majority of the substantial and material duties of any occupation for which he/she is or may reasonably become qualified based on education, training or experience; OR</li> <li>• Unable to earn 80% of his/her predisability income while working in his/her own occupation or any occupation in a modified capacity.</li> </ul>																		
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<b>Benefit Duration</b>	<p><b>To age 65 (reducing benefit duration)</b></p> <p>For employees who become disabled before age 62, disability benefits are payable until the later of the date they reach age 65 or 42 months after the benefit payment period begins. For employees who become disabled at or after age 62, disability benefits are payable until the date the benefit payment period reaches the number of months shown below:</p> <table data-bbox="521 1360 1474 1633"> <thead> <tr> <th><u>Age disability occurs</u></th><th><u>Length of benefit payment period</u></th></tr> </thead> <tbody> <tr><td>Age 62</td><td>42 months</td></tr> <tr><td>Age 63</td><td>36 months</td></tr> <tr><td>Age 64</td><td>30 months</td></tr> <tr><td>Age 65</td><td>24 months</td></tr> <tr><td>Age 66</td><td>21 months</td></tr> <tr><td>Age 67</td><td>18 months</td></tr> <tr><td>Age 68</td><td>15 months</td></tr> <tr><td>Age 69 and over</td><td>12 months</td></tr> </tbody> </table> <p>Disability benefits end when employees recover, cease to be under the regular and appropriate care of a physician, fail to provide any required proof of disability, fail to submit to a required medical examination, fail to report income from other sources or any other required earnings information, fail to pursue Social Security disability benefits or Workers' Compensation benefits, or die.</p>	<u>Age disability occurs</u>	<u>Length of benefit payment period</u>	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 and over	12 months
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...continued	
<b>Definition of Earnings</b>	Base wage  Compensation for business owners covers the net profits plus salary, averaged over the prior two calendar years.
<b>Salary Continuation</b>	Offset
<b>Preexisting Conditions</b>	No limitation applies
<b>Mental Health Conditions</b>	24 month benefit limit
<b>Drug and Alcohol Abuse Conditions</b>	24 month benefit limit
<b>Special Conditions</b>	24 month benefit limit
<b>Employer Contributions</b>	Noncontributory - employer pays 100%
<b>Integration Method</b>	Direct
<b>Social Security Integration</b>	Primary and family
<b>Work Incentive Benefit</b>	12 months
<b>Coverage for Work Related Disabilities</b>	Yes
<b>Survivor Benefit</b>	3 months gross
<b>Mandatory Rehabilitation</b>	Included  If employees do not comply with the rehabilitation plan without good cause, disability benefits may cease.
<b>Income from Other Sources</b>	We coordinate disability benefits with income disabled employees receive from other sources. These include all retirement or disability benefits that employees and their dependents receive or could have received, from Social Security or other government agencies; salary continuance; personal time off or sick pay; Workers' Compensation benefits; income from state disability plans; payments from policies that provide coverage for time away from work, if paid in part by or deducted from payroll by the policyholder; income from other group disability insurance policies; disability or retirement benefits paid by pension plans sponsored by the policyholder; income received from no-fault auto laws; renewal commissions received from the policyholder; severance pay; and all payments for the month that the member receives under state unemployment laws.  Other income sources do not include individual disability insurance; profit sharing plans; thrift savings plans; nonqualified deferred compensation plans; 401(k) plans; individual retirement accounts (IRAs); stock ownership plans; Keogh (HR-10) plans; any cost of living increases paid in connection with other sources of income; Social Security or pension plan payments that were being received prior to the current disability; and any income the member receives for services rendered prior to the member's date of disability.  Any income the Member receives for services rendered prior to the Member's date of Disability will not be considered Other Income Sources.

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**Limitations**

The proposed policy contains restrictions and limitations. Before making a purchase decision, review the following limitations and resolve any questions. The following limitations and restrictions are applied as required by state law or as otherwise described in the group policy.

**Limitations**

No benefits will be paid to employees with disabilities resulting from: willful self injury while sane or insane / war or an act of war / participation in an assault or felony / a new or continuing disability that begins after an employee's benefit payment period has ended, but the employee has not returned to active work.

**Treatment of Mental Health Conditions and Drug and Alcohol Abuse Conditions and Special Conditions**

A disability is considered due to alcohol, drug or chemical abuse, dependency or addiction or a mental health condition or a special condition if the disability is caused by one of these condition(s) and not by other disabling conditions.

The following maximum benefit payment periods apply:

Mental Health Conditions: 24 months

Alcohol, Drug or Chemical Abuse Conditions: 24 months

Special Conditions: 24 months

The benefit payment period listed above is a lifetime maximum for all periods of disability. All disabilities from conditions with the same maximum benefit payment period contribute toward one lifetime maximum. However, if at the end of the benefit duration, an employee is confined in a hospital or any other type of facility providing treatment for any of these conditions, the benefit payment period may be extended to include the time period an employee remains confined for treatment.

Special conditions are considered to be: thoracic outlet syndrome / headaches, such as functional, migraine, organic, sinus and tension / chronic fatigue syndrome / fibromyalgia / temporomandibular joint (TMJ) / cumulative trauma disorder, overuse syndrome or repetitive stress disorder including carpal tunnel and ulnar tunnel syndrome / environmental allergies and multiple chemical sensitivity / musculoskeletal and connective tissue disorders of the neck and back, including any disease or disorder of the cervical, thoracic and lumbosacral back and surrounding soft tissue, including sprains and strains of joints and adjacent muscles, but not including conditions such as arthritis, ruptured intervertebral discs, scoliosis, spinal fractures, spinal tumors, malignancy or vascular malformations.

**Replacement of a Prior Program**

This policy is replacing coverage under a prior program. If employees are not actively at work on the day coverage would become effective or if employees are disabled due to a preexisting condition, they may still qualify for benefits if they had LTD coverage under a prior program or they are not receiving any benefits under the prior program but would have been entitled to these benefits if the prior program remained in force and no provision other than the actively at work provisions would otherwise prohibit benefits from being paid under our policy. Any benefit payable is the lesser of the benefits under our policy or the benefits that would have been paid under the prior program, had it remained in force.

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## REHABILITATION BENEFITS

Reasonable Accommodation Benefit	\$2,000
Rehabilitation Incentive Benefit	5% increase in the monthly benefit percentage for 12 months

## HIGHLIGHTS

Eligible Employees	All active, full-time employees living in the United States (except part-time, seasonal, temporary or contract employees) who work at least 30 hours per week.
Re-Enrollment of Coverage	If employees contribute toward the cost of their LTD coverage today and Principal Life has agreed to a re-enrollment of coverage, employees may be required to submit proof of good health depending on the method of re-enrollment.
Proof of Good Health	Required if fewer than 5 members insured.
Recurring Disability	Disabled employees who recover and return to work for 6 months or less during the benefit duration are not required to complete a new elimination period if they become disabled again due to the same or related cause.
Monthly Payment Limit	<p>Benefits paid are reduced if total income exceeds 100% of predisability earnings. Total income includes:</p> <ul style="list-style-type: none"> <li>• The employee's normal benefit payable</li> <li>• Additional benefits payable under the policy</li> <li>• Return to work earnings</li> <li>• Other Income Sources defined in the policy</li> <li>• PTO, sick pay, and salary continuance payments (if these income sources are not considered direct offsets under Other Income Sources)</li> </ul>
W-2 and FICA Services	<p>Upon request, we offer W-2 preparation and FICA services for employees on disability.</p> <ul style="list-style-type: none"> <li>• W-2 - Prepare and mail to employees, report to appropriate governmental agencies and provide employers with reports.</li> <li>• Standard FICA Services - Calculate and withhold employees' portions of appropriate taxes, deposit employee tax withholdings with appropriate government agencies, provide employers with reports.</li> <li>• Additional FICA Services* - Calculating and depositing the employer FICA match with the appropriate government agency, reporting FICA match on our tax deposits, and issuing W-2's to each individual who received a disability payment during the calendar year.</li> </ul> <p>*Employers are still responsible for other tax reporting such as Federal Unemployment (FUTA) and State Unemployment (SUTA).</p>
State Mandated Disability Benefits	The Policy does not provide state mandated disability benefits in CA, NY, NJ, RI or HI.

## DENTAL PPO NETWORK BENEFIT DESIGN

## TEACHERS, NON UNION SUPPORT MEMBERS, ADMIN MEMBERS

	Calendar Year Deductible		Coinsurance (Policy Pays)		Calendar Year Maximum Benefit	
	In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network
<b>Preventive</b>	\$0	\$0	75%	75%	\$1,000	\$1,000
<b>Basic</b>	\$0	\$0	75%	75%	\$1,000	\$1,000
<b>Major</b>	\$0	\$0	50%	50%	\$1,000	\$1,000

Combined deductibles: Deductibles for in-network and non-network services are combined.

Combined maximums: Calendar Year maximums for preventive, basic and major services are combined.

We process claims using prevailing fees at the 90<sup>th</sup> percentile.

## ADDITIONAL BENEFIT RIDERS

	Lifetime Deductible		Coinsurance (Policy Pays)		Lifetime Maximum	
	In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network
<b>Orthodontia Child</b>	\$0	\$0	75%	75%	\$1,200	\$1,200

Minimum enrolled lives required for child orthodontia: 5

Child orthodontia provides coverage for children up to age 19.

**Participation:** 75% employee participation assumed

## COVERED SERVICES

<b>Preventive</b>	<p>Exams (2 per calendar year)</p> <p>Emergency exams (2 per calendar year)</p> <p>Second opinion consultation</p> <p>Cleanings (2 per calendar year)</p> <ul style="list-style-type: none"> <li>Expectant mothers, diabetics and those with heart disease receive one additional routine or periodontal cleaning within a calendar year.</li> </ul> <p>X-rays</p> <ul style="list-style-type: none"> <li>Bitewing (1 per calendar year)</li> <li>Occlusal (2 per calendar year)</li> <li>Periapical (4 per calendar year)</li> <li>Full mouth survey (1 per 60 months)</li> <li>Extraoral (2 per 12 months)</li> </ul> <p>Fluoride application (2 per calendar year); covered only for dependent children under age 19</p> <p>Sealants on first and second permanent molars for dependent children under age 19 (1 per 36 months)</p>
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	Space maintainers (covered only for dependent children under age 19; repairs not covered)
<b>Basic</b>	<p>Periodontal maintenance (if 3 months have elapsed after active surgical periodontal treatment; subject to routine cleaning frequency limit)</p> <ul style="list-style-type: none"> <li>Expectant mothers, diabetics and those with heart disease receive one additional routine or periodontal cleaning within a calendar year.</li> </ul> <p>Harmful habit appliance (covered only for dependent children under age 19)</p> <p>Fillings</p> <p>Composite fillings on molars</p> <p>Stainless steel crowns</p> <p>Simple oral surgery</p> <p>Complex oral surgery</p> <p>General anesthesia/IV sedation</p> <p>Periodontics (non-surgical), including scaling and root planing (1 per quad per 24 months)</p> <p>Periodontal surgical procedures (1 per quad per 36 months)</p> <p>Simple endodontics (root canal therapy for anterior teeth)</p> <p>Complex endodontics (root canal therapy for molar teeth)</p> <p>Repairs - partial denture, bridge, crown, relines, rebasing, tissue conditioning and adjustment to bridge/denture (within policy limitations)</p>
<b>Major</b>	<p>Crowns (1 per tooth per 120 months) if tooth cannot be restored by a filling</p> <p>Inlays, onlays, cast post and core, core buildup (1 per tooth per 120 months)</p> <p>Implants (1 per tooth per 120 months)</p> <p>Bridges - initial placement; replacement after 120 months</p> <p>Complete or partial dentures - initial placement; replacement after 60 months</p>
<b>Orthodontia</b>	<p>X-rays and other diagnostic procedures</p> <p>Fixed and removable appliances</p> <p>Lifetime maximum</p>

HIGHLIGHTS	
<b>Coordination of benefits</b>	As allowed by state law, we coordinate benefits with coverage provided by any other employer, trust, union, association, or educational institution - other than student accident policies, governmental program or state law. Total benefits from all sources cannot exceed 100% of covered charges.

## ...continued

<b>Eligibility</b>	<p><b>EMPLOYEE:</b> Eligible employees include all active, full-time employees living in the United States (except part-time, seasonal, temporary or contract employees) who work at least 30 hours per week. Employees must be enrolled with coverage before it can be offered to their dependents.</p> <p><b>DEPENDENT:</b> Eligible dependents include the employee's spouse and children. Additional eligibility requirements may apply.</p>
<b>Future enrollees</b>	<p>Late entrants (those enrolling more than 31 days after becoming eligible) will be subject to an individual benefit waiting period, as outlined below.</p> <ul style="list-style-type: none"> <li>Coverage for Preventive services begins on the individual's effective date. There is a 12 month waiting period for Basic services, and a 24 month waiting period for Major services (including riders).</li> </ul>
<b>Waiting Periods</b>	None
<b>Prior dental coverage</b>	This proposal assumes the group had prior dental coverage for preventive/basic/major/ortho services.
<b>Annual enrollment</b>	One month before the policy anniversary date, employees and dependents (who were not previously enrolled) can enroll.
<b>Limitations</b>	<p>The proposed policy contains restrictions and limitations. Before making a purchase decision, review the following limitations and resolve any questions. The following limitations and restrictions are applied as required by state law or as otherwise described in the group policy.</p> <p>The insurance does not pay for treatment or services: for veneers, anterior <math>\frac{3}{4}</math> cast crowns, personalization or cosmetic reasons / performed by an immediate family member / performed by any person who is not a dentist, dental hygienist, or other authorized provider / that do not meet professionally recognized standards of quality / that are not for a Covered Charge / that exceed prevailing fee charges / to alter or maintain vertical dimension or restore or maintain occlusion / that are temporary / for provisional and permanent splinting / for a work related sickness or injury / paid for by U.S. government or its agencies (except Medicaid or as required under state or federal law) / resulting from participation in certain criminal activities / resulting from war or an act of war / for which there would be no cost in the absence of insurance / for duplicating or replacing lost or stolen appliances or prosthetic devices / for replacing tooth structure lost from abrasion or attrition / not expected to correct your dental condition for more than 3 years / for services performed outside a dental office / for patient management / occlusal guards / that are an experimental or investigational measure / paid for by a Medicare Supplement Insurance Plan. The insurance also does not cover: drugs or medicines other than antibiotic injections / instructions for plaque control, oral hygiene, or diet control / bite registration or occlusal analysis orthodontic treatment, service, appliance or bands provided prior to Ortho Procedures effective date / temporomandibular joint (TMJ) disorders.</p>





VISION FOR TEACHERS, NON UNION SUPPORT MEMBERS, ADMIN MEMBERS		
VSP CHOICE NETWORK		
Covered Charges	Benefit	Frequency
Exams	\$10 copay	1 per 12 months
Prescription Glasses	\$25 copay	
Lenses	Single vision, lined bifocal, lined trifocal, and lenticular lenses; polycarbonate lenses for dependent children under age 18	1 pair per 12 months
Frames	\$150 allowance for a wide selection of frames; 20% off amount over allowance <sup>1</sup>	1 set per 24 months
Elective Contacts	Up to \$60 copay for standard and premium elective contact lens exams (fitting and evaluation)	1 per 12 months
	\$150 allowance for elective contacts	Instead of lens and frames benefit
Necessary Contacts <sup>2</sup>	\$25 copay	1 per 12 months
	Covered in full for members who have specific conditions.	Instead of lens and frames benefit
Lens Enhancements	Most popular options are covered after a copay, saving members an average of 20-25%. Members should see their doctor for special pricing on additional lens enhancements.	
Additional Savings <sup>1</sup>	Savings on laser vision correction, contact lens exam, and additional pairs of prescription glasses and non-prescription sunglasses.	



## ...continued

## NON-NETWORK PROVIDERS

Covered Charges	Benefit	Frequency
Vision Exams	Up to \$45	1 per 12 months
Single Vision lenses	Up to \$30	1 pair per 12 months
Lined bifocal lenses	Up to \$50	1 pair per 12 months
Lined trifocal lenses	Up to \$65	1 pair per 12 months
Lenticular lenses	Up to \$100	1 pair per 12 months
Frames	Up to \$70	1 set per 24 months
Elective Contacts	Up to \$105	1 per 12 months Instead of lens and frame benefits
Necessary Contacts <sup>2</sup>	Up to \$210	1 per 12 months Instead of lens and frame benefits

<sup>1</sup> Based on applicable laws; benefit may vary by doctor location.

<sup>2</sup> Prescribed to correct extreme visual problems that cannot be corrected with regular lenses.

## HIGHLIGHTS

Participation	75% employee participation assumed
Eligibility	<p><b>EMPLOYEE:</b> Eligible Employees include all active, full-time employees living in the United States (except part-time, seasonal, temporary or contract employees) who work at least 30 hours per week. Employees must be enrolled with coverage before it can be offered to their dependents.</p> <p><b>DEPENDENT:</b> Eligible dependents include the employee's spouse and children. Additional eligibility requirements may apply.</p>
Annual Enrollment Period	One month before the policy anniversary date, employees and dependents (who were not previously enrolled) can enroll.
Future Enrollees	Late entrants (those enrolling more than 31 days after becoming eligible) are subject to an individual benefit waiting period.
Coordination of Benefits	Benefits from two or more carriers are limited up to 100% of the claimant's covered expenses.



## ...continued

**Limitations**

The proposed policy contains restrictions and limitations. Before making a purchase decision, review the following limitations and resolve any questions. The following limitations and restrictions are applied as required by state law or as otherwise described in the group policy.

No benefits will be paid for: visual analysis or vision aids that are not medically necessary / services and/or materials not specifically included in the benefit schedule / plano lenses / two pairs of glasses instead of bifocals / replacement of lenses, frames and/or contact lenses furnished under this plan which are lost or damaged / orthoptics, vision training or supplemental testing / medical or surgical treatment of the eyes / contact lens insurance policies or service agreements / refitting of contact lenses after the initial fitting period / contact lens modification, polishing or cleaning, local state and/or federal taxes, except where required by law. Benefits will not be paid for any vision care expense for: which proof is submitted by a person who is part of the member's or dependent's immediate family / vision aids provided outside the United States.

DISCOUNTS AND SERVICES	
<b>Laser Vision Correction</b>	Through the National Lasik Network, administered by LCA-Vision, Inc., employees, their spouses and dependent children receive savings on one of the most frequently performed elective surgeries in America. The discount includes 15% off standard pricing or 5% off promotional pricing.
<b>Hearing Aid Program</b>	Through American Hearing Benefits, Inc. (AHB) and Ear Professionals International Corporation (EPIC), employees and their families are eligible for up to 60% off hearing aids.
<b>Travel Assistance</b>	Employees, their spouses and dependent children (whether traveling together or separately) have access to travel, medical, legal and financial assistance plus emergency medical evacuation benefits provided by AXA Assistance <sup>1</sup> when traveling domestically or internationally more than 100 miles from home for up to 120 consecutive days.
<b>Will &amp; Legal Document Center</b>	Employees and their spouses have free access to resources and tools provided by ARAG <sup>2</sup> to create a Will, Living Will, Healthcare Power of Attorney, Durable Power of Attorney and Medical Treatment Authorization for Minors. Estate Planning resources and a Personal Information Organizer are also included.
<b>Identity Theft Kit</b>	This valuable resource from ARAG provides employees with information on how to protect their identity and restore it if stolen.
<b>Beneficiary Support</b>	<p>Beneficiaries receive Grief Support Services from Magellan Healthcare.</p> <p>Financial professionals are available to help beneficiaries with insurance proceeds.</p> <p>Spouses and dependents also receive three months of free online access to will preparation services provided by ARAG.</p>
<b>Employee Assistance Program</b>	<p>Telephonic employee assistance services provided by Magellan Health Services including up to option 3 face to face counseling sessions per issue per year.</p> <p>Additional services include:</p> <ul style="list-style-type: none"> <li>Legal/Financial - provides assistance with legal and financial issues</li> </ul>
<b>Dental Health Edge<sup>SM</sup></b>	This resource helps employees make better decisions about oral health care. Certified dentists can answer questions, and a Dental Cost Estimator shows approximate costs in a specific ZIP code. The site is also available in Spanish.
<p><b>These discounts are not insurance.</b></p> <p>The discounts and services are not a part of the insurance contract and may be changed or discontinued at any time. Principal Life and its affiliates are not responsible for any loss, injury, claim liability, or damages related to the use of the discounts and services. The third party providers are not members of the Principal Financial Group®.</p> <p><sup>1</sup>Participants are responsible for any incurred fees or expenses. Insured transportation services are administered by AXA Assistance USA, Inc. and underwritten by a third-party licensed insurance company.</p> <p><sup>2</sup>The use of the services provided by ARAG® Services, LLC should not be considered as a substitute for consultation with an attorney.</p>	

## OUR SERVICES

<b>Online Benefit Administration</b>	eService offers free administration and management of all group insurance for employers and employees. Employers can add or remove employees, view and update employee information, pay premiums and more. Employees can view statuses of claims, confirm covered dependents and more.
<b>Claim Services</b>	At Principal Life, we know filing a claim is a defining moment for clients. That's why we strive to make the claims process quick and easy for our customers. Vision claim services are handled by VSP.

## GENERAL PROVISIONS

<b>Renewing your coverage</b>	Your insurance runs annually or based on your rate guarantee period, but no less than annually, unless the policy terminates before that date. While the insurance is in force and subject to its termination provisions, you may renew at the applicable premium rates in effect on your anniversary.
<b>Termination and renewability of your coverage</b>	The insurance is renewable at your option. Principal Life has the right to nonrenew or terminate the insurance if: you fail to pay premium / fraud or misrepresentation occurs / your company relocates to a state where Principal Life does not offer group coverage(s) provided by your policy / your company no longer meets the participation or contribution rules / you no longer qualify as an eligible business or group / we give you advance notice of termination as required by your state.
<b>Policy changes</b>	Principal Life has the right to modify coverage under the group policy at any time to meet legal requirements or to ensure consistent application of policy provisions. In addition, you may request coverage changes, subject to approval by Principal Life.
<b>Federal and state laws</b>	Various federal and state laws may affect the rights of insureds to continue coverage. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Family Medical Leave Act (FMLA) and the Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA) are examples. As an employer, you are responsible for meeting the obligations imposed by any federal and state continuation laws. However, we design and administer our policies to comply.

## Rating Assumptions

COOR ISD



EFFECTIVE DATE: July 1, 2016

### RATING ASSUMPTIONS

**These rates are based on the following:**

**Michigan as the contract state. If you have employees located in other states, we may apply benefits based on those states provisions, when applicable.**

An effective date of July 1, 2016. Suggested premiums and benefits are provided for illustration purposes only. Acceptance of your group, the final premium rates and actual benefits cannot be offered to you until all necessary information about your group has been received and reviewed by home office underwriters of Principal Life and approved by an officer of Principal Life. Rates will be recalculated based on actual enrollment under the policy and are subject to change if the number of employees on the effective date varies by more than 15% from the sold proposal. Changes in assumptions, group demographics, policy design and policy effective date may also affect your rates. Final rates will apply for the period of time specified in the contract. Rates may increase on renewal in accordance with the terms of the policy.

There are limitations, restrictions and exclusions in this policy. There are also certain restrictions involving payment of premium, termination, fraud, eligibility and participation. Final rates are dependent on entering into an insurance contract where all limitations, exclusions, and restrictions are taken into consideration.

As a result of this sale, your broker may receive commissions, administrative service fees, other compensation including non-cash compensation, and bonuses based on factors such as total premium volume and persistency or profitability of the business. The cost of this compensation may be directly or indirectly reflected in the premium or fee for this product. This compensation is in addition to any compensation your broker may receive from you. Contact your broker for further details.

This proposal is a general description. It is not a policy and does not modify or change the provisions of any policy or rider. If there is a discrepancy, the policy is the final arbiter of the coverage. Policy definitions and provisions may vary by state, read your policy carefully for the exact definitions and provisions. Policy limitations and exclusions apply. Benefits are limited when living outside the United States. Insurance issued by Principal Life Insurance Company, a member of the Principal Financial Group® (The Principal®).

Insurance underwritten by Principal Life Insurance Company

GP61699

10/2015

Proposal number: 05171610444-13

Today's date: 05/31/2016

SIC code: 8211