



AccidentAdvance® ACCIDENT-ONLY INSURANCE

Underwritten by Transamerica Life Insurance Company

**PROPOSAL FOR EMPLOYEES OF
Ship EX INC**

9980 South 300 West
Sandy, UT 84070

PROPOSAL DATE:

May 8, 2019

**PRESENTED BY:
JEREMY LUDVIGSON**

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HEBER CITY, UT 84032

Self-Administered



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*Quoted rates are valid for 90 days, then they are subject to change without notice.
This proposal describes insurance highlights only. This is not an offer. Limitations and exclusions apply.
No contract will result until an application is submitted and
approved by the insurance company and a policy or certificate is issued.*

About AccidentAdvance® Accident Insurance

Accidents are a fact of life. How you deal with them can keep your workforce operating efficiently

A valued secretary gets into a car accident on a slick road on a rainy afternoon. One of the company's top-notch salesmen breaks his ankle sliding into second-base at a softball game. The proud executive's young daughter injures her wrist during a regional ballet competition.

Accidents and unexpected injuries are a fact of life. Even the healthiest and most safety-conscious employees find themselves on the wrong end of mishap. Accident insurance is a way for employees to help pay for medical bills and other out-of-pocket expenses that often arise after an unexpected injury. No employer can prevent accidents from happening, but it can provide access to meaningful accident-only insurance benefits so employees can help offset the costs associated with the accident.

AccidentAdvance® helps to pay what other insurance may not

AccidentAdvance is not your ordinary accident insurance. It is a group voluntary Off-The-Job accident-only insurance policy that can help fill gaps not covered by major medical insurance. AccidentAdvance offers optional riders to promote healthy behavior. For example, our automobile accidental death benefit pays more if the insured is wearing a seatbelt and has airbags in the car. We also offer a wellness benefit that provides annual health screening tests for employees and their spouse.

Highlights of AccidentAdvance®:

Individual and family insurance available

Guaranteed Issue available

Offers a variety of enrollment methods including a simplified process for Guaranteed Issue amounts

Premiums collected through the convenience of payroll deduction

Fully convertible if an employee leaves the group while the group master policy is active

See Policy Design for more details.



This is a brief summary of AccidentAdvance® accident-only insurance **underwritten by Transamerica Life Insurance Company**, Cedar Rapids, Iowa. Policy Form Series CPACC100 and CCACC200-0118. Forms and numbers may vary. Insurance may not be available in all jurisdictions. Limitations and exclusions apply. Please refer to the policy, certificate and riders for complete details.

Underwriting Offer and Eligibility

Employee Eligibility

To be eligible for insurance, an employee must:

- be 18 years and older.
- be on active service, performing in the usual manner all of the regular duties of his or her occupation at one of the places of business where he or she normally works or at some location directed by the employer; and
- be continuously employed for the amount of time and working the minimum number of hours per week as you require to be eligible for benefits. These requirements will be defined on the Life and Health Group Application and Agreement.
- not be covered by any Title XIX program such as Medicaid.

Spouse Eligibility

To be eligible for insurance, a spouse must:

- be 18 years and older;
- be a legally married spouse, common law spouse, domestic partner, or civil union partner if legally recognized in the governing jurisdiction or as otherwise agreed upon between you and us;
- not be disabled;
- not be covered by any Title XIX program such as Medicaid.

Child Eligibility

To be eligible for insurance, a child must be under the age of 26 and is:

- a natural child;
- a legally adopted child or child who has been placed for adoption;
- a stepchild or foster child;
- a grandchild;
- a child for whom the employee has been appointed legal guardian;
- a child for whom the employee is legally required to provide support;
- not disabled;
- not covered by any Title XIX program such as Medicaid.

Once insurance is in force, newborn or newly-adopted children or children who the insured employee is appointed legal guardian will be insured from the moment of birth, the date of placement, or court order for a period of 31 days. In order for such insurance to continue, family insurance must be in force.

Minimum Participation

At least 2 insured employees are required to establish and maintain an employer group. Other group types may require higher participation.

Evidence of Insurability

Insurance is offered on a Guaranteed Issue basis. As long as the eligibility requirements listed above are met, insurance will be issued.

Other Considerations

Please be aware of the following:

- This proposal is based on employer groups with 600 eligible employees only and may not be available to other group types or sizes.
- Insurance benefits and rates for employees residing in New York may differ.

Product Details

Plan Option 1
Off-The-Job

Module 1 Accident Emergency Treatment		8.00 Units	
Accident Emergency Treatment Benefit For physician treatment and X-rays in a hospital emergency room or doctor's office within 96 hours, or as soon as reasonably possible, of the accident.		\$200	
Major Diagnostic Examination Benefit For one CT Scan, MRI, or EEG completed within 90 days of the accident.		\$320	
Dislocation Benefit Payable for joint dislocation reduced under general anesthesia. Dislocation reduced without general anesthesia paid at 25% of the joint's benefit amount. Multiple reduced dislocations are paid at 1 1/2 times the highest benefit amount. No other amount will be paid under this benefit.	Dislocated Joint	Reduction	
		Open	Closed
	Hip	\$6,400	\$2,160
	Knee or Shoulder	\$2,160	\$880
	Collar Bone	\$3,440	\$640
	Ankle or Foot (except toes)	\$2,160	\$640
	Lower Jaw	\$2,160	\$1,120
	Wrist or Elbow	\$1,760	\$880
	Toe or Finger	\$480	\$240
Fractures Benefit For repair of a fracture sustained in an accident. A chip fracture is paid at 10% of the fracture's benefit amount. Multiple repaired fractures are paid at 1 1/2 times the highest benefit amount. No other amount will be paid under this benefit.	Fractured Bone	Reduction	
		Open	Closed
	Coccyx	\$1,120	\$560
	Hand (except fingers), Foot (except toes/heel), Wrist, Shoulder Blade, Forearm, Ankle, Elbow, Kneecap, Sternum or Lower Jaw	\$2,720	\$1,360
	Hip	\$8,000	\$2,720
	Leg	\$3,360	\$2,720
	Nose, Heel or Fingers	\$2,720	\$560
	Ribs	\$5,360	\$560
	Skull	\$4,320	\$1,600
	Toes	\$1,120	\$560
	Upper Jaw, Upper Arm or Face (except Nose), Collar Bone	\$3,200	\$1,360
	Vertebrae, Pelvis	\$1,360	\$1,360
	Vertebral Processes	\$5,360	\$800

For both dislocations and fractures, 1 1/2 times the highest dislocation or fracture benefit amount is paid. No other dislocation or fracture benefit is paid.

Product Details

Module 2 Follow-Up Visits and Physical Therapy		10.00 Units
Accident Follow-Up Treatment Benefit Maximum of three (3) follow-up visits per accident. Original treatment must have been within 96 hours, or as soon as reasonably possible, of the accident. Treatment must be provided by a physician in their office or in a hospital on an outpatient basis. Follow-up treatments must begin within 30 days of, and be completed within the 6 months following the later of: the accident; discharge from the hospital from a covered confinement; or discharge from an extended care facility.		\$100
Physical Therapy Benefit For treatments by a physician that begin within 120 days of the accident and are completed within 1 year of the accident, not to exceed 10 treatments per accident.		\$100
Module 3 Initial Accident Hospitalization		0.50 Units
Initial Accident Hospitalization Benefit Payable once for the first hospital admission due to an accident. Benefit is payable once for the first Intensive Care Unit admission due to an accident. The ICU benefit is paid even if admitted to the hospital initially and then transferred to ICU later during the same hospitalization.		\$150
Ambulance Benefit For transportation to the nearest hospital for treatment within 96 hours, or as soon as reasonably possible, of the accident by a licensed ambulance service.	Ground Ambulance	\$30
	Air Ambulance	\$150
Additional Riders		

Product Details

Expanded Benefits Rider (Form No. CREXPB00)		7.00 Units
The following benefits are payable once, per person, per accident for injuries sustained in a covered accident.		
Burns Must be treated by a physician within 96 hours or as soon as reasonably possible after the accident. One or more skin grafts for a covered burn will be paid at 50% of the burn benefit amount paid for the burn involved.	Second-degree burns of body surface: At least 25%, but not more than 35%	\$420
	More than 35%	\$1,050
	Third-degree burns of body surface: 6 through 10 square centimeters	\$1,050
	10 through 25 square centimeters	\$2,800
	25 through 35 square centimeters	\$6,300
	more than 35 square centimeters	\$8,400
Lacerations Must be treated or repaired within 96 hours or as soon as reasonably possible after the accident.	Lacerations not requiring sutures	\$28
	Single laceration less than 7.6 centimeters	\$56
	Lacerations 7.6 to 20 centimeters	\$210
	Lacerations over 20 centimeters	\$420
Eye Injury	With surgical repair	\$280
	Non-surgical removal of foreign body by physician	\$49
Emergency Dental Work	One or more broken teeth repaired with crowns	\$210
	One or more broken teeth resulting in extractions	\$56
Brain Concussion Must be diagnosed by a physician within 96 hours or as soon as reasonably possible after the accident.		\$140
Coma Unconsciousness for 14 consecutive days with no reaction to external stimuli and no reaction to internal needs.		\$10,500
Paralysis Lasting a minimum of 30 days	Quadriplegia (paralysis of four limbs)	\$10,500
	Paraplegia (paralysis of lower limbs)	\$5,250
Tendons, Ligaments and/or Rotator Cuffs Must be detached, torn, ruptured or severed and surgically repaired by a physician within one (1) year of the accident. Only one of the benefits is payable.	Arthroscopic surgery with: No repair	\$140
	One repair	\$350
	Two or more repairs	\$700
Ruptured Discs and/or Torn Knee Cartilage Must be surgically repaired by a physician within one (1) year of the accident. Only one of the benefits is payable.	Shaved cartilage or arthroscopic surgery with: No repair	\$140
	One repair	\$350
	Two or more repairs	\$700

Product Details

Major Surgery For an open abdominal, cranial or thoracic surgery performed by a physician within 1 year of the accident. Laparoscopic procedures are excluded.		\$1,050
Appliance For a physician-recommended medical appliance to aid personal locomotion, such as crutches, leg braces, wheelchairs and walkers. This benefit is not payable for prosthetic devices.		\$140
Prosthetic Devices For one or more prosthetic devices received within 1 year of the accident. This benefit is not payable for hearing aids, dental aids (including false teeth), glasses, cosmetic prosthetic devices, such as wigs, or joint replacement, such as an artificial hip or knee.	One prosthetic device	\$525
	Two or more prosthetic devices	\$1,050
Blood, Plasma and Platelets Required for the treatment of injuries due to a covered accident. Immunoglobulin is not covered.		\$280
Transportation Benefit is payable for up to 2 round trips to the hospital per accident per insured person if special treatment and hospital confinement occurs within 30 days of the accident. The local attending physician must prescribe treatment that is not available locally. Benefit is not payable for transportation to any hospital within a 100-mile radius of the accident site or insured person's residence.		\$420
Family Lodging Benefit Benefit is payable per day, maximum of 30 days, for one motel/hotel room for a member of the immediate family to accompany the insured person for treatment of injuries prescribed by a physician. Hospital confinement must be in a facility at least 100 miles from the insured person's residence and confinement must begin within 30 days of the accident. Benefits are not payable for services rendered by an immediate family member. The local attending Physician must prescribe the treatment.		\$105
Wellness Benefit Rider (Form No. CRWELB00)		10.00 Units
Benefit is payable per calendar year for one annual health screening test listed for the insured employee and one test for an insured spouse.		
Blood test for triglycerides Bone marrow testing Breast ultrasound CA 125 (blood test for ovarian cancer) CA 15-3 (blood test for breast cancer) CEA (blood test for colon cancer) Chest X-ray Colonoscopy Fasting blood glucose test	Flexible sigmoidoscopy Hemocult stool analysis Mammography Pap Test PSA (blood test for prostate cancer) Serum cholesterol test to determine HDL/LDL level Serum Protein Electrophoresis (blood test for myeloma) Stress test on a bicycle or treadmill Thermography	\$100

Product Details

Rates					
AccAdvSa 2018.08.UT.0.00UT.0.00.ND					
Accident Insurance	Rate Frequency	Employee	Employee and Child(ren)	Employee and Spouse	Employee, Spouse and Child(ren)
Plan Option 1 Off-The-Job	Monthly	\$15.27	\$19.70	\$23.42	\$28.32

**HSA Compatible - Based on its understanding of available guidance, Transamerica Life Insurance Company views the insurance benefits shown in this proposal as compatible with High-Deductible Health Plans and Health Savings Accounts. However, there is no guarantee that the relevant authorities will agree with Transamerica's understanding. Current guidance is not complete and is subject to change. Neither Transamerica nor its agents or representatives provide legal or tax advice. Accordingly, Transamerica encourages its customers to consult with and rely upon independent tax and legal advisors regarding their particular situations, the use of the products presented here with High-Deductible Health Plans and Health Savings Accounts, and the persons/dependents that may be insured under such plans and accounts.*

Issue State: Utah
Rate generation date: May 8, 2019

General Administrative Issues

How to Apply - Organization

Your organization can apply for this insurance by providing us with your completed Life and Health Group Application and Agreement together with a copy of this proposal. Before approving, we may request additional information about your group. Upon approval, we will notify you when insurance becomes effective.

Group Master Policy Effective Date

Subject to our receipt and review of all necessary information, the group master policy takes effect on the date requested on the Life and Health Group Application and Agreement. There is no policy backdating.

How to Apply - Employees

An applicant should elect insurance that best meets his or her needs and those of his or her family. All questions on the application should be completed accurately. All applications are subject to our review and approval.

Individual Insurance Effective Date

Insurance is effective on the effective date requested on the Life and Health Group Application and Agreement or first day of the month following the date an individual's application is approved by us, whichever is later. The employee must be on active service and any dependents cannot be disabled for insurance to become effective.

Beneficiary

Employees designate their own beneficiaries. In community property states (AZ, CA, ID, LA, NM, NV, TX, WA, and WI), when someone other than the spouse is designated as the beneficiary, the spouse's consent is required. The employee will automatically be the beneficiary of any dependent insurance.

Current Disability and/or Premium Waiver

We do not provide insurance to an individual currently disabled on a premium waiver. In this case, it is assumed that the previous carrier, if any, should continue to provide the individual's insurance.

Premium Payment

Premiums are paid conveniently through payroll deduction. You'll receive a bill each month.

Grace Period

A grace period of 31 days will be allowed for each premium payment after the first premium. Insurance will stay in force during this time. Insurance under the policy will terminate at the end of the grace period if the premium has not been paid. You must still pay all unpaid premiums. This includes the premium due for the grace period.



Limitations and Exclusions

We will not pay benefits for losses caused by or as a result of an insured person:

- Driving any taxi for wage, compensation or profit;
- Mountaineering, parachuting or hang gliding;
- Voluntarily taking, administering, absorbing or inhaling poison, gas or fumes;
- Alcoholism or drug addiction;
- Participating in any sport or sporting activity for wage, compensation, profit, or racing any type of vehicle in an organized event;
- Traveling in or descending from any vehicle or device for aerial navigation, except as a fare paying passenger in an aircraft operated by a commercial airline (other than a charter airline) on a regularly scheduled passenger trip;
- War, or any act of war, whether declared or undeclared;
- Causing accidental bodily injury by the operation of a vehicle, while under the influence of a controlled substance (unless administered by a physician or taken according to the physician's instructions) or while intoxicated (intoxicated means that condition as defined by the laws of the jurisdiction in which the Accident occurred.)
- Voluntarily participating in a felony, riot or insurrection;
- Voluntarily participating in illegal activities, limited to losses related directly to such participation;
- Intentionally self-inflicting bodily injury or attempting suicide while sane or insane;
- Any loss incurred while on active duty status in the armed forces. If you notify us of such active duty, we will refund any premiums paid for any period for which no insurance is provided as a result of this exception.
- Injuries that occur in the workplace or during the course of any employment for pay, benefit, or profit.

Termination of Insurance

Insurance on the employee will cease on the earliest of:

- The date of his or her death;
- The date he or she ceases to be eligible for insurance;
- The premium due date on which we fail to receive premium from the policyholder, subject to the grace period provision;
- The date the policy terminates; or
- The date a written notice is received that he or she wants to cancel insurance.

The insurance on a dependent will cease on the earliest of:

- The date of the dependent's death;
- The date the employee's insurance terminates;
- The premium due date on which we fail to receive the employee's premium from the policyholder, subject to the grace period provision;
- The end of the month that the dependent child no longer meets the definition of child.
- The date an insured spouse no longer meets the definition of spouse.
- The date the certificate is modified so as to exclude dependent insurance;
- The date a written notice is received that the employee wants to cancel insurance on a dependent.

We will have the right to terminate the insurance of any insured person who submits a fraudulent claim under the Certificate.

Extension of Benefits

Whenever termination of insurance under this section occurs due to termination of employment, such termination will be without prejudice to:

- Any hospital confinement which began while insurance was in force; or
- Any covered treatment or service for which benefits would be provided and which began while insurance was in force; provided, however that the insured person is and continues to be hospital confined or receiving treatment.

Such Extension of Benefits will continue for up to the earlier of:

- 30 days; or
- The date on which the insured person is no longer hospitalized or receiving treatment.

Conversion Option

If an employee is under the age of 70 and loses eligibility for this insurance for any reason other than nonpayment of premiums or termination of the group master policy, insurance can be continued by converting this group insurance to a policy and paying the premiums directly to us within 31 days after termination. We will bill the employee directly once we receive notification to convert their insurance.

Limitations and Exclusions

Termination of the Group Master Policy

The policyholder may end the policy on any premium due date by submitting a 60-day advance written notice. A group will not be continued if it drops below the minimum required participation. The group master policy will be terminated and insurance of all remaining insureds will end.

Other Insurance with Us

An individual can only have one accident policy or certificate with us. An individual can only have one disability income policy, certificate, or rider with us. If a person already has accident insurance with us, such person is not eligible to apply for this insurance. If a person already has disability income insurance with us, such person is not eligible to apply for the disability income riders.

GROUP BENEFITS DISCLOSURE POLICY

Transamerica Employee Benefits (TEB) is a unit of Transamerica Life Insurance Company and Transamerica Financial Life Insurance Company. TEB markets and administers voluntary insurance benefits through licensed insurance agents. These agents are typically appointed to sell our products, and products of other providers, and receive various forms of compensation from us for the services provided. We believe our compensation arrangements with our agents are conducted with honesty, fairness and integrity. In addition, we realize that having trusted relationships between our agents and our customers is essential to all involved. To ensure this trust continues and to address any concerns within the industry, we have outlined our policy on agent compensation disclosure.

TEB's policy supports transparency and full disclosure of agent compensation to our customers and prospective customers. In addition, we have put controls in place to facilitate this disclosure and obligate our agents to disclose compensation information to customers: 1) when asked by a customer; 2) when receiving both a fee from the customer and compensation from TEB; and 3) when otherwise required by law. Agents must comply with all applicable laws in the sale of TEB products, including any pertaining to the disclosure of compensation information.

TEB's Group Benefits Compensation Disclosure Notice (below) describes the various means by which agents may be compensated for the sale of our products. It is the responsibility of your agent to share specific information with you about his or her compensation arrangements with TEB. Accordingly, please direct any compensation disclosure questions directly to your agent.

COMPENSATION DISCLOSURE NOTICE TO ALL POLICYHOLDERS

Agents who sell and service our products are paid a commission. It varies by the type of insurance policy sold and the state where the policy was sold, and is based on a percentage of the premium received in the first year, and at policy renewal. Agents may receive advances or loans against anticipated commissions for cases sold or to be sold. These advances may or may not require the payment of interest, depending upon the agent's total business and historical experience with TEB.

Agents may receive other compensation from TEB in the form of cash or non-cash awards or prizes, based upon a variety of factors that may include the level of premium written or earned, persistency and growth of premium, or other performance measures. Agents who manage, supervise or recruit other agents or wholesale our products and services to other agents, may receive commission overrides on business that results from their efforts.

Some of our agents may receive additional payments for providing services in connection with the administration of our products. Fees for such services may be calculated on a per policy or per certificate basis or upon the premium volume associated with a specific case. TEB may additionally reimburse these agents/administrators for certain expenses, such as the cost of mailings.

Agents may occasionally obtain exclusive rights to market TEB products or services to agents, employers, employees, or members of associations or unions. Certain groups or associations may also agree to endorse TEB's products to their members. TEB may pay a fee for these exclusive marketing rights or endorsements. See your proposed policy documents or policy certificate package for more information on any such arrangements.

Up to date information regarding our compensation practices can be found in the Disclosures section of our website at: www.tebcs.com.