



CriticalEvents® CRITICAL ILLNESS 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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*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 Transamerica Employee Benefits

Transamerica offers employees a comprehensive portfolio of supplemental health and life insurance products **underwritten by Transamerica Life Insurance Company**. Transamerica has been helping families **Transform Tomorrow®** for over 100 years. For more than half a century, we've provided voluntary benefits in the workplace. It's our way of helping people create better financial futures.

Broad choice of voluntary products

Transamerica offers an extensive set of products with convenient options to help you meet the full range of your employees' needs. We're here to help you and your broker determine the best solutions for your company.

An exceptional service and benefits experience

You'll find that Transamerica will be there for your employees when it matters most -- at claim time. We commit to providing excellent service from day one beginning with a unique enrollment service to make it easy for employees to select guaranteed issue benefit amounts through your normal HR processes. You'll also appreciate:

- Dedicated relationship managers to help set up your account
- Customized communication and marketing materials
- Flexible group underwriting
- Customized electronic, web, call center and spreadsheet enrollment solutions
- Multiple billing options
- Speedy and simple claim resolution

Why should employers offer critical illness benefits?

Critical illness insurance is the perfect complement to high deductible health plans, higher co-pays and health savings accounts (HSAs). Our product, CriticalEvents, helps bridge the financial gap between traditional insurance benefits and the added out-of-pocket costs associated with a critical illness. Facing a serious illness is difficult enough without worrying about the added financial stress. Critical illness insurance helps put financial control back into the hands of the employee, allowing them to focus on recovery.

Major medical deductibles and out of pocket expenses continue to increase each year. While employees can't predict a heart attack or stroke, they can prepare for the potential financial impact on their families by purchasing critical illness insurance. After a major health event like a heart attack or stroke, the average family incurs medical and non-medical expenses of \$36,000. Critical illness insurance helps reduce the financial stress through lump-sum cash benefits -- used however the employee sees fit.

Highlights of CriticalEvents:

- HSA-compliant
- Benefits payable for each covered critical illness
- No waiting period
- Fully portable/convertible
- Individual and family options available
- Guaranteed issue availability and guaranteed renewable for life

After a major health event like a heart attack or stroke, families not only incur immediate expenses such as ambulance, hospital charges and surgery but also indirect costs such as lost productivity and income as well as long-term maintenance such as prescriptions and testing.



This is a brief summary of CriticalEvents® critical illness insurance underwritten by Transamerica Life Insurance Company, Cedar Rapids, Iowa. Policy Form Series CPC10500 and CCC10500. Forms and numbers may vary. Insurance may not be available in all jurisdictions. Limitations and exclusions apply. 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 and:

- be actively employed, performing all regular duties at the place of business or another location directed by the employer; and
- be continuously employed and meeting the minimum hourly and time requirements for benefit eligibility. 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 and:

- be a legally married 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 covered by any Title XIX program such as Medicaid.

Child eligibility

To be eligible for insurance, a child must be through age 25 or younger and is:

- a natural child;
- a legally adopted child or child who has been placed for adoption;
- a stepchild or foster child;
- a grandchild living with the employee and dependent for support and maintenance;
- a child for whom the employee has been appointed legal guardian;
- a child for whom you are legally required to provide support;
- not be covered by any Title XIX program such as Medicaid.

Minimum participation

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

Underwriting limits for groups with 600 benefit-eligible employees

Guaranteed issue underwriting is only available the first time an employee is eligible to apply. If the employee applies for insurance at a later date, it's subject to simplified issue underwriting.

Underwriting Guidelines for Plan Option 1			
Guaranteed Issue (GI) Participation	Guaranteed Issue (GI) Amount	Simplified Issue (SI) Participation	Simplified Issue (SI) Amount
15% issuable employee applications of a benefit-eligible class	\$25,000	5 issuable employee applications of a benefit-eligible class	\$50,000

Please note that employees residing in California, Georgia, Massachusetts, Minnesota or Vermont are required to have a major medical plan in order to apply. Insurance cannot be issued to anyone who does not have a major medical plan. This proposal is based on employer groups with 600 eligible employees only and may not be available to other group types or sizes.

Product Details

An employee may purchase a benefit amount based on the premiums as shown in the following pages. A spouse and child dependent amount will be a percentage of the employee-elected amount. Employees and spouses are eligible at age 18 and up, eligible children from birth through age 25.

Base Policy Benefits	Percentage of Benefit	Plan Option 1
Heart Attack	100%	Included
Stroke	100%	Included
Major Organ Failure	100%	Included
End Stage Renal Failure	100%	Included
Other Specified Organ Failure (Loss of sight, speech, or hearing)	100%	Included
Miscellaneous Diseases - Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease), Encephalitis/meningitis, Rocky Mountain Spotted Fever, Typhoid Fever, Anthrax, Cholera, Primary Sclerosing Cholangitis (Walter Payton's Disease) and Tuberculosis	100%	Included
Coronary Artery Disease Requiring Bypass Grafts	25%	Included
Coronary Artery Disease Requiring Angioplasty/Stent	5%	Included

	Plan Option 1
Dependent Insurance	50%
First Occurrence	First occurrence after effective date
Rate Structure	Voluntary - Issue Age

Cancer Benefit Rider	Percentage of Benefit	Plan Option 1
Invasive Cancer	100%	Included
Bone Marrow Failure	100%	Included
Carcinoma In Situ	25%	Included
Prostate Cancer with TNM Classification of T1	25%	Included
Skin Cancer	5%	Included

Additional Benefit	Plan Option 1
Wellness Indemnity Benefit	\$100
Recurrent Critical Illness Benefit Rider	100%

Product Details

Plan Option 1 Monthly Non-Tobacco Issue Age Rates

Critical Illness Benefits: Heart Attack, Stroke, Major Organ Failure, End Stage Renal Failure, Other Specified Organ Failure (Loss of sight, speech, or hearing), Miscellaneous Diseases, Coronary Artery Disease Requiring Bypass Grafts, Coronary Artery Disease Requiring Angioplasty/Stent

Optional Riders: Cancer Benefit Rider, Recurrent Critical Illness Benefit Rider (100%) and Wellness Benefit Rider (\$100)

Employee				Ver 4.0.ND.UT.0.00.FA
Age	\$10000	\$20000	\$25000	
18-29	\$12.10	\$18.20	\$21.25	
30-39	\$13.80	\$21.60	\$25.50	
40-49	\$21.50	\$37.00	\$44.75	
50-59	\$35.50	\$65.00	\$79.75	
60-64	\$68.70	\$131.40	\$162.75	
65+	\$81.20	\$156.40	\$194.00	
1 Parent Family				
18-29	\$13.80	\$20.10	\$23.25	
30-39	\$15.50	\$23.50	\$27.50	
40-49	\$23.20	\$38.90	\$46.75	
50-59	\$37.20	\$66.90	\$81.75	
60-64	\$70.40	\$133.30	\$164.75	
65+	\$82.90	\$158.30	\$196.00	
2 Parent Family				
18-29	\$19.40	\$27.30	\$31.25	
30-39	\$22.40	\$33.30	\$38.75	
40-49	\$34.10	\$56.70	\$68.00	
50-59	\$53.10	\$94.70	\$115.50	
60-64	\$102.90	\$194.30	\$240.00	
65+	\$114.60	\$217.70	\$269.25	

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

**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.*

Product Details

Plan Option 1 Monthly Tobacco Issue Age Rates

Critical Illness Benefits: Heart Attack, Stroke, Major Organ Failure, End Stage Renal Failure, Other Specified Organ Failure (Loss of sight, speech, or hearing), Miscellaneous Diseases, Coronary Artery Disease Requiring Bypass Grafts, Coronary Artery Disease Requiring Angioplasty/Stent

Optional Riders: Cancer Benefit Rider, Recurrent Critical Illness Benefit Rider (100%) and Wellness Benefit Rider (\$100)

Employee				Ver 4.0.ND.UT.0.00.FA
Age	\$10000	\$20000	\$25000	
18-29	\$17.90	\$29.80	\$35.75	
30-39	\$20.70	\$35.40	\$42.75	
40-49	\$37.40	\$68.80	\$84.50	
50-59	\$70.30	\$134.60	\$166.75	
60-64	\$129.30	\$252.60	\$314.25	
65+	\$143.30	\$280.60	\$349.25	
1 Parent Family				
18-29	\$19.60	\$31.70	\$37.75	
30-39	\$22.40	\$37.30	\$44.75	
40-49	\$39.10	\$70.70	\$86.50	
50-59	\$72.00	\$136.50	\$168.75	
60-64	\$131.00	\$254.50	\$316.25	
65+	\$145.00	\$282.50	\$351.25	
2 Parent Family				
18-29	\$26.60	\$41.70	\$49.25	
30-39	\$29.80	\$48.10	\$57.25	
40-49	\$56.50	\$101.50	\$124.00	
50-59	\$107.00	\$202.50	\$250.25	
60-64	\$194.40	\$377.30	\$468.75	
65+	\$214.50	\$417.50	\$519.00	

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

**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.*

Summary of Benefits

Critical Illness Benefit

Critical illness insurance provides a lump-sum cash benefit which the employee can use however they wish. After the critical illness diagnosis, the insured person will receive a lump-sum percentage of the elected benefit amount. The diagnosis must be made after the effective date of the certificate. Percentages for each covered critical illness are shown in the Product Details section of the proposal.

For example, if an employee purchased a benefit amount of \$30,000 and is diagnosed with a heart attack after the effective date, the employee will receive 100 percent of their benefit - a lump sum of \$30,000.

For a different and subsequent critical illness, the insured person will receive an additional lump-sum benefit as long as the diagnosis is made 90 days or more after the last critical illness for which a benefit was paid. If the last critical illness benefit payment under this certificate was less than 100 percent of the applicable benefit amount, we will waive the requirements that the newly diagnosed illness must be medically unrelated and separated by 90 days.

Recurrent Critical Illness Benefit (*Rider Form Series CRRCI500*)

This benefit provides each insured person with an opportunity to receive an additional payment for the same critical illness. The Recurrence Benefit is a percentage of the Critical Illness Benefit amount and the percentage is selected by the employer. A recurrence of the same critical illness must be separated by a 12 month waiting period. For a cancer condition, the insured person must be treatment free for 12 months. Only one Recurrence Benefit will be paid for each critical illness.

If the same employee in the earlier example also had the Recurrent Critical Illness Benefit Rider and undergoes another heart attack two years later, the employee would receive a percentage of their benefit elected by their employer. If their employer chose a 50 percent recurrent critical illness benefit, the employee would receive 50 percent of their \$30,000 benefit amount - \$15,000.

Wellness Indemnity Benefit (*Rider Form Series CRWEL500*)

Transamerica is committed to providing support for out of pocket expenses associated with health screening tests. This benefit can help pay the costs for a screening test for early disease signs and lead to earlier intervention, better outcomes and healthier employees. The benefit is payable once per calendar year per insured person for one of the following health screening tests:

Biopsy	Chest x-ray	Pap test
Blood test for triglycerides	Colonoscopy	PSA (prostate-specific antigen tests)
Bone marrow testing	Fasting blood glucose test	Serum cholesterol test to determine HDL/LDL level
Breast ultrasound	Flexible sigmoidoscopy	Serum protein electrophoresis (blood test for myeloma)
CA 125 (blood test for ovarian cancer)	Hemoccult stool specimen	Stress test on a bicycle or treadmill
CA 15-3 (blood test for breast cancer)	Mammogram	Thermography
CEA (blood test for colon cancer)		

Critical illness definitions

Critical illness - One of the illnesses or conditions listed below positively diagnosed by a physician. It must be based on diagnostic criteria generally accepted by the medical profession, as defined below.

Coronary artery disease requiring bypass grafts - Coronary artery disease requiring a surgical operation to correct narrowing or blockage of one or more coronary arteries with bypass grafts, as confirmed in writing by a board-certified cardiologist. Angiographic evidence to support the necessity for this surgery will be required. For purposes of this benefit, a surgical operation to correct narrowing or blockage does not include the following procedures: balloon angioplasty, laser embolectomy, atherectomy, stent placement or other non-surgical procedures.

Coronary artery disease requiring angioplasty/stent - Coronary artery disease requiring a balloon angioplasty or other forms of catheter-based percutaneous transluminal coronary artery therapy to correct the narrowing or blockage of one or more coronary arteries, as confirmed in writing by a board-certified cardiologist. This benefit is confined to the heart; therefore, a narrowing or blockage of renal arteries or other peripheral arteries is not coronary artery disease and does not qualify for this benefit.

End stage renal failure - The end stage failure which presents a chronic irreversible failure of both kidneys, and requires treatment by renal dialysis.

Heart attack - The ischemic death of a portion of heart muscle resulting from one or more obstructions of coronary arteries. A positive diagnosis must be supported by either of the following criteria:

1. The presence of three or more of the following indicators:
 - pain, pressure, fullness, discomfort or squeezing in the center of the chest.
 - radiating pain to shoulder(s), neck, back, arm(s) or jaw.
 - new EKG changes indicative of myocardial infarction.
 - diagnostic increase of specific cardiac markers typical for heart attack.
 - confirmed image studies.
2. In the event of death, an autopsy confirmation identifying heart attack as the cause of death.

Summary of Benefits

Major organ failure - The irreversible failure of a heart, lung, pancreas, entire kidney or any combination that a physician determined there is medical evidence to support the complete replacement of such organ with an entire organ from a human donor. It can also be the irreversible failure of an insured person's liver for which a physician has determined that there is medical evidence to support the complete or partial replacement of the liver or liver tissue from a human donor. The transplant need must be due to severe disease.

Miscellaneous diseases - The following diseases will be considered critical illnesses when diagnosed by a physician: amyotrophic lateral sclerosis (Lou Gehrig's disease), encephalitis/meningitis, rocky mountain spotted fever, typhoid fever, anthrax, cholera, primary sclerosing cholangitis (Walter Payton's disease) or tuberculosis.

Other specified organ failure - One of the following occurring independently of any other covered critical illness:

- Loss of sight - the total and irreversible loss of all sight in both eyes.
- Loss of speech - the total and permanent loss of the ability to speak.
- Loss of hearing - the total and irreversible loss of hearing in both ears. Hearing loss that can be corrected by using any hearing aid or device will not be considered an irreversible loss.

Stroke - A cerebrovascular event resulting in permanent neurological damage, including infarction, hemorrhage or embolization of brain tissue from an extracranial source. The diagnosis must be based on:

- Documented neurological deficits; and
- Confirmatory neuroimaging studies.

Stroke does not include cerebral symptoms due to:

- Transient ischemic attack (TIA).
- Reversible neurological deficit.
- Migraine.
- Cerebral injury resulting from trauma or hypoxia.
- Vascular disease affecting the eye, optic nerve or vestibular functions.

Invasive cancer - Cancer evidenced by a malignant tumor and tissue invasion. Invasive cancer does not include pre-malignant conditions or conditions with malignant potential, prostatic cancers which are histologically described as TNM Classification T1 (including T1(a) or T1(b), or of other equivalent or lesser classification), and any malignancy associated with the diagnosis of HIV.

Carcinoma in situ - Cancer that stays in its original location, confined to the site without having invaded neighboring tissue.

Prostate cancer with TNM classification of T1 - Microscopic prostate tumors that are neither palpable nor visible on transrectal ultrasonography.

Skin cancer - Basal cell epithelioma or squamous cell carcinoma. Skin cancer does not include malignant melanoma or mycosis fungoides, which are not considered skin cancers.

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 along with a copy of this proposal. Before approving, we may request additional information about your group. Upon approval, we will notify you when the policy 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 a policy 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 policy effective date

A policy begins 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 actively employed for a policy 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 31 day grace period will be allowed for each premium payment after the first premium. Insurance will stay in force during this time. 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.

ERISA disclosure

Transamerica and its representatives do not give legal, tax or ERISA advice. Whether this product will be considered an employee benefit plan subject to ERISA depends upon an employer's unique circumstances, and the employer should make this determination. We encourage employers to consult with independent advisors regarding their particular situation.



Limitations and Exclusions

We do not pay benefits for losses caused by, or as a result of, the insured person's:

- Voluntarily participating or attempting to participate in an illegal activity.
- Intentionally causing self-inflicted injury.
- Committing or attempting to commit suicide, whether sane or insane.
- Involvement in any period of armed conflict.

Under no condition will we pay any benefits for losses incurred prior to the effective date.

Portability/Conversion option

If an employee loses eligibility for this insurance for any reason other than nonpayment of premiums, insurance can be continued by paying the premiums directly to us at our administrative office within 31 days after termination. We will bill the employee directly once we receive notification to continue this insurance.

Termination of insurance

Employee insurance will terminate on the earliest of:

- The date the group master policy terminates, subject to the portability/conversion option.
- The date an employee ceases to be eligible for insurance.
- The date of the employee's death.
- The premium due date on which we fail to receive the employee's premium.
- The date the employee sends us a written notice to cancel insurance.

Dependent insurance will terminate on the earliest of:

- The date the employee's insurance terminates.
- The premium due date on which we fail to receive the employee's premium.
- The date the dependent no longer meets the definition of dependent.
- The date the group master policy or certificate is modified to exclude dependent insurance.
- The date the employee sends us a written notice to cancel dependent insurance.

We may end the insurance of any insured person who submits a fraudulent claim under the policy. Termination of the employee's insurance will not affect any claim which begins before the date of termination.

Termination of the group master policy

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

Other insurance with us

An employee can only have one critical illness policy or certificate with us. If a person already has critical illness insurance with us, such person is not eligible to apply for this insurance.

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 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.