



The Lincoln National Life Insurance Company

Cover sheet

Date: October 27, 2014

To: Union Benefit Planners, Inc.
From: James Sheehan
Re: Transport Workers Union of America

Contact information

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Why LFG for Employee Paid Benefits?

Maximize the value of your employee benefits package with flexible, easy-to-use voluntary benefits from Lincoln Financial Group. We offer flexible service and enrollment options, and a variety of products to cover you and your employees.

- n Employees are able to keep their coverage should they leave their employer
- n Coverage that is Guaranteed Renewable
- n No physical exams are required
- n Flexibility to design a plan that's just right for your employees
- n Tools to help educate and empower your employees to make the right choices with confidence

LFG offers a full suite of products to meet your insurance needs

- n Universal Life
- n Critical Illness
- n Accident
- n Short and Long Term Disability
- n Term Life



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Affiliates are separately responsible for their own financial and contractual obligations.



Date: October 27, 2014

To: Union Benefit Planners, Inc.
From: James Sheehan
RE: Proposal for Transport Workers Union of America

Dear Producer:

This memorandum and the enclosed exhibits set out our proposal for the above group. The rates are based on those benefits shown in the proposal using standard benefit provisions.

The Critical Illness rates include a First Year 70% and subsequent years 10% commission schedule. You may be eligible for the group broker bonus program in effect for the plan year. If you need additional information to satisfy any applicable producer disclosure obligations, please contact me.

The displayed commission is vested to the writing agent or producer and assumes the enrollment will be conducted using resources provided by the producer or a third party. The commission will be calculated from all paid premiums resulting directly from enrollments that occurred when the agent or producer was on record.

Lincoln Financial Group requires all producers receiving quotes for the purpose of soliciting, negotiating or selling insurance products hold valid licenses, as required by state regulations, and obtain all necessary appointments with Lincoln Financial Group prior to the sale of insurance.

For appointment forms, please access our website at www.LFG.com. The Application for Licensing Appointment can be printed, completed and returned to the address contained on the form. If you do not have access to our website, please contact the Licensing Department at bplicensing@LFG.com.

I appreciate the opportunity to bid on this group. If you have any questions about the plan or would like to review some alternate quotes, please contact me. I look forward to writing this case for you.

James Sheehan
Sr. Marketing Representative
James.Sheehan@LFG.com



www.LFG.com

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Benefits and cost summary for critical illness proposal

Prepared for: Transport Workers Union of America
 Group ID: TWUATD
 Quote Sequence: 8751112
 Reference Number: 39903
 Proposed Effective Date: Subject to approval by the Texas Department of Insurance

Lincoln Critical Illness Insurance Plan Highlights

Surviving a critical illness is becoming more common today thanks to advances in medicine. With Critical Illness Insurance benefits from Lincoln Financial Group, your employees can face their financial future with confidence and concentrate on getting better when a critical illness strikes.

Why choose Lincoln for Critical Illness Protection?

- n Our *Lincoln CareCompass*SM feature provides benefits for health screenings, and offers benefits for the unmet, often emotional needs of the employee and family members.
 - m Support services include health care advocacy services, a care manager to help employees navigate the health care system, access to emotional counseling services, financial specialists and legal specialists.
- n Critical Illness benefits are paid directly to the covered employee and may be used according to the employee's wishes.
- n Flexibility to design a plan that's just right for your employees.
- n Employees may keep their Critical Illness coverage should they leave their employer.
- n Annual enrollment allows additional participation opportunities.
- n Coverage has Guarantee Issue amounts.
- n Coverage is Guarantee Renewable.
- n Coverage offers Issue Age Rates.

COVERAGE SUMMARY

Option: 1

Option Description:

| CRITICAL ILLNESS BASE COVERAGE | |
|--|--------------------------|
| Benefit Description | Benefit |
| <i>Lincoln CareCompass</i> Category | |
| Critical Illness Assessment Benefit | \$50 |
| Family Care Benefit (per insured dependent) | \$25 |
| See detailed description of services offered at the end of the Benefit Description section | Included |
| Heart Category | Percent of Principal Sum |
| Heart Attack | 100% |
| Heart Transplant | 100% |
| Stroke | 100% |
| Arteriosclerosis | 10% |
| Aneurysm | 10% |
| Cancer Category | Percent of Principal Sum |
| Invasive Cancer | 100% |
| Cancer In Situ | 25% |
| Benign Brain Tumor | 25% |
| Bone Marrow Transplant | 25% |
| Organ Category | Percent of Principal Sum |
| End Stage Renal Failure | 100% |
| Major Organ Transplant (excluding heart) | 100% |
| Acute Respiratory Distress Syndrome | 25% |

| | |
|---|---|
| Quality of Life Category ALS/Lou Gehrig's Disease Advanced Alzheimer's Disease Advanced MS Advanced Parkinson's Disease Loss of Sight Loss of Hearing Loss of Speech | Percent of Principal Sum 100% 100% 25% 100% 25% 25% 25% |
| Accident Category Coma Severe Burn Paralysis | Percent of Principal Sum 100% 100% 100% |
| Maximum Principal Sum Employee Spouse Child Spouse and Child Principal Sum cannot exceed Employee Principal Sum | \$30,000 \$15,000 \$5,000 |
| Guarantee Issue Employee Spouse Child | \$30,000 \$15,000 All Guarantee Issue |
| Employee Coverage | Flat Benefit Options of: \$5,000 \$10,000 \$15,000 \$20,000 \$25,000 \$30,000 |
| Spouse Coverage | Flat Benefit Options of: \$5,000 \$10,000 \$15,000 |
| Dependent Coverage | Flat Benefit Option of: \$5,000 Enhanced eligibility |
| Lifetime Category Maximum (Category Recurrence) | 200% (100% recurrence) |
| Additional Category Occurrence | 100% payable benefit |
| Benefit Waiting Period | None |
| Pre-existing Period | None |
| Benefit Reduction | 50% at Age 70 |

Lincoln Care CompassSM category

The *Lincoln CareCompass* Category is the foundation of our Lincoln Critical Illness product and includes these services:

Critical Illness Assessment Benefit – pays for 1 number of assessment tests per year.

Assessment Tests:

- n abdominal aortic aneurysm ultrasound
- n blood test for triglycerides
- n bone marrow testing
- n breast ultrasound
- n CA 15-3 (blood test for breast cancer)
- n CA 125 (blood test for ovarian cancer)
- n carotid ultrasound
- n CEA (blood test for colon cancer)
- n chest x-ray
- n colonoscopy
- n CT Angiography
- n EKG
- n Double contrast barium enema
- n Fasting blood glucose test
- n Flexible sigmoidoscopy
- n Hemoccult stool analysis

- n Mammography
- n Pap smear
- n PSA (blood test for prostate cancer)
- n Serum cholesterol HDL/LDL
- n Serum protein electrophoresis (blood test for myeloma)
- n Stress test
- n Thermography

Family Care Benefit -- pays a benefit for child care expenses while a covered person is confined for a covered event/illness

Advocate services – provides a health advocate to assist covered person in navigation through the health care system. Services include:

- n care coordination among physicians and medical institutions
- n help identify primary and specialist physicians, hospitals and related healthcare providers
- n help identify providers for member's rare, serious or complex medical conditions
- n assistance on prescription drug issues including formulary and benefit questions
- n help with resolving claims issues and related paperwork; claims appeals
- n zip-code based cost estimates for common medical services and procedures
- n assistance with fee negotiation
- n health care coaching
- n helps locate and make arrangements for special service needs such as homemaker, adult day care, rehabilitation, private duty nursing

Support services – provides services to address the emotional and supportive service needs of claimants and their caregivers.

Services include:

- n referrals to appropriate community resources, support groups and providers
- n consumer credit counseling for questions related to managing debt, making informed spending choices, developing long-term financial plans and constructing a budget
- n consultation with an attorney to answer legal questions and concerns
- n assistance with locating information resources and referrals related to child care options and education resources, chore and handyman services, moving or relocation services, apartment locators
- n enhanced case management program to help claimants work toward a stage of acceptance of and planning for their illness/condition
- n access to a comprehensive website focusing on critical illness topics, including user-friendly tools, articles, information, calculators, directories and more
- n follow-up, aftercare and case monitoring



Benefits and cost summary for critical illness proposal

COST SUMMARY

Final rates are subject to Lincoln Financial Group approval

Critical Illness base coverage cost

Option: 1

Option description:

Monthly premium per benefit amount for Employee

| Issue Age | \$5,000 | \$10,000 | \$15,000 | \$20,000 | \$25,000 | \$30,000 |
|-----------|---------|----------|----------|----------|----------|----------|
| 17-30 | \$2.66 | \$5.30 | \$7.96 | \$10.60 | \$13.26 | \$15.90 |
| 31-40 | \$4.71 | \$9.40 | \$14.11 | \$18.80 | \$23.51 | \$28.20 |
| 41-50 | \$9.00 | \$17.96 | \$26.96 | \$35.92 | \$44.92 | \$53.88 |
| 51-60 | \$15.82 | \$31.62 | \$47.44 | \$63.24 | \$79.06 | \$94.86 |
| 61-70 | \$24.62 | \$49.22 | \$73.84 | \$98.44 | \$123.06 | \$147.66 |

Monthly premium per benefit amount for Spouse

| Issue Age | \$5,000 | \$10,000 | \$15,000 |
|-----------|---------|----------|----------|
| 17-30 | \$2.66 | \$5.30 | \$7.96 |
| 31-40 | \$4.71 | \$9.40 | \$14.11 |
| 41-50 | \$9.00 | \$17.96 | \$26.96 |
| 51-60 | \$15.82 | \$31.62 | \$47.44 |
| 61-70 | \$24.62 | \$49.22 | \$73.84 |

Monthly premium per benefit amount for all Child Dependents

| Issue Age | \$5,000 |
|-----------|---------|
| 17-30 | \$1.18 |
| 31-40 | \$1.59 |
| 41-50 | \$1.62 |
| 51-60 | \$1.31 |
| 61-70 | \$1.06 |

*Child rates based on employee's issue age.

Proposal assumptions

- n Group eligible lives: 10000
- n Case will be issued in accordance with the signed Worksite Offer Letter.
- n A minimum of 10 enrollees is required to establish coverage for the group.
- n There is no minimum enrollment requirement for dependent coverage.
- n A minimum of 20 hours per week is required for employee eligibility.
- n Coverage election is available to individuals between the ages of 17 and 70.
- n If Dependent Coverage includes "Enhanced Eligibility," it meets PPACA requirements.
- n Employees must be actively at work for coverage to be in effect.
- n Benefits may be taxable. Seek the advice of a tax consultant with any questions.

Policy Exclusions

- n A category maximum has been reached (for that Category, coverage will automatically terminate). If *Lincoln CareCompassSM* is the only remaining Category, coverage will be terminated.
- n A new Category Occurrence happens within 90 days of another payable event in a different category.
- n A Category Recurrence happens within 180 days of another payable event in the same category.
- n The diagnosis of any Quality of Life Category event prior to the effective date of coverage.
- n An event was caused by self-inflicted injury, self destructive, suicide or attempting any of these, whether sane or insane.
- n An event occurs during the attempt or commission of a felony, whether charged or not.
- n An event occurs during an act of war (which is not terrorism), participation in a riot, insurrection or rebellion of any kind.
- n An event occurs while serving as a member of any armed forces or auxiliary unit.
- n An event occurs after the insured had resided outside of the US, Mexico, or Canada for 12 or more months.
- n An event occurs while the insured was incarcerated in any type of penal facility.

Accident category exclusions:

Additionally, a benefit will not be paid under the Accident category benefit when injury occurs due to:

- n Bungee jumping, parachuting, base jumping, or mountaineering.
- n Cosmetic or elective surgery.
- n Being intoxicated.
- n Having any sickness, illness (physical or mental), or infection independent of accident.
- n Deliberate use of drugs, poison, gas or fumes, by ingestion, injection, inhalation, or absorption.
- n Injury at work or in the course of employment.
- n Participating in, practicing for, or officiating a semiprofessional or professional sport.
- n Riding in or driving any motor-driven vehicle for race, stunt show, or speed test.

THIS IS NOT A CONTRACT: This illustration was prepared based on the information provided in the Request for Proposal. It is a description of insurance coverage available from Lincoln Financial Group and not an offer to contract. More detailed information is available upon request concerning the terms, conditions, and limitations contained in the master policy, if issued. If there are discrepancies between the information contained in this proposal and the master policy, the terms of the master policy will control. State-specific restrictions and requirements may not be addressed in this proposal.

An Application for Group Insurance must be completed by the Employer and approved by Lincoln Financial Group before coverage can become effective.

This proposal is subject to revision if not accepted on or before the Proposed Effective Date shown on the Benefits and Cost Summary page of this proposal.

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