

## Group term life

SKILLS INC



Effective date: May 1, 2022

Group term life for all members	
<b>Life benefit</b>	\$20,000 benefit
<b>Accidental Death and Dismemberment</b>	\$20,000 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 \$20,000  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: intentional self-inflicted bodily injury / war or act of war / voluntary participation in an assault, felony, criminal activity, insurrection, or riot.
<b>Accidental Death and 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>
<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>• 50% participation for all contributory coverages.</li> </ul>

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<b>Eligibility</b>	<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.
<b>Express claim processing</b>	For claims meeting certain criteria, decisions are reached 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.

## Discounts and services

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Discounts and services	
<b>Laser vision correction</b>	Employees, their spouses and dependent children save \$800 off Lasik through National Lasik Network, administered by LCA-Vision inc.
<b>Hearing aid program</b>	Through American Hearing Benefits, Inc. (AHB), employees and their families are eligible for up to 48% off hearing aids.
<b>Travel assistance</b>	<p>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.</p> <ul style="list-style-type: none"> <li>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.</li> <li>This service is not part of the coverage and may be changed or discontinued at any time. AXA Assistance USA, Inc. is not a member of the Principal Financial Group®.</li> </ul>
<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.<sup>3</sup></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.<sup>2</sup></p>
<p><b>These discounts are not insurance.</b></p> <p>The discounts and services listed here are available to members, and/or their dependents or beneficiaries, with group coverage underwritten by or with administrative services provided by Principal Life Insurance Company. The discounts and services are not a part of the policy or contract and may be changed or discontinued at any time. Although Principal has arranged to make these programs available to you, the third party providers are solely responsible for their products and services.</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> <p><sup>3</sup>The use of services provided by Magellan Healthcare is not a substitute for consultation with a licensed medical professional. Principal Life Insurance Company is not responsible for any loss, injury, claim, liability, or damages related to the use of Grief Support Services. Magellan Healthcare is not a member of the Principal Financial Group®.</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.

**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

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### Rating assumptions

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

**North Carolina 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 May 1, 2022. 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.

The state of North Carolina requires disclosure of outsourcing to foreign countries when proposing group coverage to government entities. Principal Life Insurance Company conducts some data entry and technical support activities in Mexico and India. These activities do not involve contact with customers in the United States. Vendors that contract with Principal Life may perform additional work outside of the United States.

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®.

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