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Allstate at Work®

New Generation

Group Voluntary Critical Illness Insurance

Proposal for:

Jackson County

Presented by:

The Insurance Center

Date:

September 21, 2012



Allstate®

Workplace Division



We appreciate the opportunity to present you with this proposal for the New Generation plan. In your search for a Critical Illness plan, we believe you will find Allstate Workplace Division (AWD) offers the best overall value. Our company's core strengths are providing high quality employee benefits through the workplace, including life, health, hospital indemnity, critical illness, accident, cancer, dental and disability insurance. With over 50 years experience, you can feel confident that Allstate Workplace Division is a long-term partner who can be there with you as your needs grow.

With the advancement in medical technology and treatment, people are living longer; and once deadly illnesses are now being controlled and cured. One way to help employees or members protect their finances from being depleted by these critical illnesses, is by making Group Voluntary Critical Illness part of their benefit package. If the employee or member is covered under the plan, it will pay them a lump sum benefit if they are diagnosed with a critical illness. And with the addition of the optional benefits for Cancer Critical Illness, Wellness and Recurrence* added to their coverage, employees or members can receive Cancer and Heart Screening each year, and a one-time additional lump sum benefit at 25% of the original basic benefit amount, if their illness recurs after 18 months.

Just as there are gaps in medical coverage, there are direct and indirect expenses that could have a significant impact on an employee or member's hard-earned finances. A few examples are Lost Income, Child Care, Mortgage Payments, Travel Expenses, Prescription Drugs, and Home Health Care. Today, insurance protection for critical illnesses can make a difference in an employee or member's standard of living during and following an illness. That difference can be measured in dollars and cents.

Group Critical Illness insurance from Allstate Workplace Division pays benefits that can be used for non-medical, critical illness-related expenses that health insurance might not cover. The insured employee or member would receive:

- Benefits paid directly to the employee or member unless benefits are assigned to someone else.
- Coverage an employer, association, or union can choose to match their employee or member's budgets.
- Individual, Spouse, and Child(ren) coverage.
- Coverage that is portable, even if the Group policy is terminated.
- Coverage that does not replace other medical benefits, but instead is designed to supplement an employee or member's present coverage.
- Guaranteed issue - no evidence of insurability required at initial enrollment, if the group meets the Guaranteed Issue participation requirements and the basic benefit amount is no more than \$20,000.

Please take a moment to review this proposal to learn more about our program. Thank you for considering Allstate Workplace Division. We look forward to serving you.

*Recurrence benefit doesn't pay for Cancer Critical Illness.

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Executive Summary

Allstate Workplace Division (AWD) is one of the top workplace marketing companies in the United States. We offer a wide range of products and services to meet the insurance needs of corporate America, from the lunchroom to the boardroom. The Allstate Corporation is the second largest property and casualty insurer in the United States with over 20 million customers worldwide and is known for providing exceptional service.

Voluntary insurance products offered through the workplace are growing at a rapid pace. Employers see this as an effective way to attract and retain valuable employees while controlling costs. Critical Illness plans in particular are experiencing tremendous growth as a way to offer a valuable insurance that can be measured in dollars and cents. Companies are looking for a competitive edge to recruit new employees and reduce turnover. By offering Group Voluntary Critical Illness insurance, companies now have a powerful tool to attract and retain good employees, and they don't have to focus solely on wages.

There is a new era in health benefits out there. Along with advancement in technology that can increase life span and chances of surviving critical illnesses, comes an increasing appreciation of the personal economic strain people face with the diagnosis and lifestyle changes associated with critical illness. For these reasons, one of the more valuable benefits an employer can offer to their employees or members is access to an insurance benefit which can help with costs associated with specifies serious illnesses. AWD's Group Voluntary Critical Illness benefit is in the form of a lump sum payment, which is paid to the employee or member at diagnosis.

With over 50 years experience in the large group market, AWD brings the experience and perspective of a major medical insurance company to the market. AWD has gathered valuable marketing research from our existing clients to develop a product that delivers the perfect mix of usable benefits, affordability and professional plan administration. The resulting product is the New Generation, Group Voluntary Critical Illness plan. It provides composite rating, guaranteed issue, and Cancer, Wellness, & Recurrence options so it meets both the employer's and his employee's expectations for coverage. New Generation provides the right mix of plan features, ease-of-use, affordability, and brand recognition that makes it ideal for today's marketplace.

American Heritage Life Insurance Company underwrites and insures the plan under the marketing name of Allstate Workplace Division (AWD). We pay the claims, provide customer service, billing, and a dedicated team of account specialists for our customers. This translates into better, faster service for you and your employees.

Company Overview

About Allstate

When you offer voluntary benefits from Allstate Workplace Division, you get the power of the "Good Hands®". You can expand your employee benefits program by offering voluntary benefits through one of the most trusted names in insurance.

- Based in Northbrook, Illinois
- Founded in 1931 as part of Sears, Roebuck & Co.
- One of America's most recognized brand names – "You're In Good Hands With Allstate®"
- Over \$134.7 billion in assets for 2008
- The nation's largest publicly held personal lines insurer, listed on the NYSE in 1993
- Serving over 17 million households
- Insuring one of every nine autos or one out of eight homes in the U.S.

Here's how we stack up to the competition –

Fortune 500 rankings for the year 2009

2009 rankings were taken from the Fortune 500 website at www.fortune.com

- | | |
|------------------|-------|
| ■ Allstate | 81st |
| ■ AFLAC | 152nd |
| ■ Unum Provident | 270th |

Product Portfolio

Group Voluntary Workplace Products

Consistent rates/benefits across all states. Guarantee issue in most instances. No health questions. Low participation minimums. Perfect for companies with numerous locations in different states.

- Universal Life Insurance**(GUL22)
- Term Life Insurance**Group Voluntary Term Life
- Disability Insurance**Group Voluntary Short-Term and Long-Term Disability
- Cancer Insurance**Group Voluntary Cancer/Specified Disease
- Dental Insurance**Heritage Choice Dental Plan
- Accident Insurance**Group Voluntary Accident
- Limited Medical Insurance**AHL minimedical®
- Hospital Indemnity Insurance**Group Voluntary Supplemental Health Options Plan (Group SHOP)
- Critical Illness Insurance**Group Voluntary Critical Illness (New Generation & My Lifeline)

Individual Voluntary Workplace Products

Voluntary benefits insurance might be right for your company if: you're concerned with the rising cost of quality benefits; or you'd like a chance to provide benefits that help with hiring and retaining good employees; or you'd like to be competitive with other companies who provide more than just salary; or your employees have been requesting enhanced or post-retirement benefits, like life insurance that goes beyond group term policies.

- Universal Life Insurance**(UL20P/UL21P)
- Term Life Insurance**Horizon 20 Year Term (20RCT)
- Disability Insurance**Heritage Paycheck Protector (DI5W)
- Cancer Insurance**Heritage Series (CP10) and Heritage Provider Series (CBP1P)
- Accident Insurance**On & Off-the-job (AP2) and Off-the-job only (AP3)
- Hospital Indemnity**Supplemental Health Options Policy (SHOP)
- Heart/Stroke Insurance**HeartCare Plus (HSP2)
- Critical Illness Insurance**(CILP1)

Plan Performance

New Generation Group Voluntary Critical Illness was designed for maximum usability

Here are some helpful tips that you need to know.

- Works well for Employer Groups in multi-state locations.
- Premium deductions can be: employer paid; employer and employee or member paid; or employee or member paid.
- No definition of disability to meet.
- Pays at diagnosis and is paid regardless of whether insured seeks treatment.
- No need to accelerate benefits on life insurance.
- No reduction in benefits at older ages.
- Wellness optional benefit provides benefits for cancer or heart screenings (state variations apply).
- 100% of the benefit amount purchased can be paid in each of 3 categories (for example - if an employee or member purchases \$10,000 of coverage, it is possible, depending on future diagnosis, the insured could be paid up to \$30,000 in benefits.)
- Portable if employee/member leaves the group, regardless of whether the group policy remains active, as long as premiums continue to be made to AWD.
- Spouse/domestic partner and child(ren) can be covered.
- Recurrence Optional Benefit allows an additional claim for the same specified critical illness condition at 25% of the previously paid Category 1 or 2 benefit, as long as 18 months have elapsed since the last diagnosis, and coverage is still in force.
- Benefits paid in addition to other coverage.
- Benefits paid directly to the employee/member, unless assigned to someone else.
- At AWD's option, any unused benefit payable at death is paid to the named beneficiary or estate.

Service

Our People:

One of the biggest advantages we have to offer is the people at AWD. We take pride in providing personalized care and executive-level support to each of our customers, regardless of size. We maintain an open-door policy with our department leaders, and we will provide you with their names and phone numbers in case you ever need special assistance, or just want to voice a concern. We deliver a solid financial foundation for a long-term partnership, and most of all we deliver the integrity of a promise always kept.

Technology:

New Generation is administered on a multi-million dollar software system that integrates claims payment, customer service, administration, eligibility, billing, account management and other operational areas that affect your employees. This allows AWD to provide fast, accurate answers to all questions, resolve issues quickly and ensure that everyone is communicating from the same shared data within our organization.

AWD can accept self-billing from clients. This allows the customer to send a payroll deduction report of both active and terminated employees to AWD, along with their check for the insurance premium. We then update our eligibility system based on the file and do not need to send a paper bill to the client.

Electronic Enrollments:

AWD can receive electronic feeds of eligibility data to automatically update our system. This can be a faster, easier way to perform enrollment administration, as opposed to sending paper enrollments. In addition, AWD offers a variety of customized, state-of-the-art enrollment options.

Account Management:

As a customer, you will have access to client representatives who will assist you throughout the year and handle any special needs that you might have. In addition, you will be provided with the names and numbers of all of our department managers, in case you need special assistance with something urgent. Our Claims and Customer Care Representatives are trained to both answer claims questions and pay claims, so covered employees do not have to be transferred around when they call us with questions. They also prioritize "hardship" claims, paying them first, in order to help insureds who are in financial trouble and need help paying their unassigned bills.

Infrastructure & Operations:

AWD has over 850 employees supporting the operations at our headquarters in Jacksonville, Florida. Everything is performed under one umbrella, from the group set-up and printing of ID Cards to the paying of claims, which makes it easier to get things done. AWD even has a strict policy to ensure that a live person is available to meet an insured's needs during normal business hours, so they can rest assured that they won't get stuck in voicemail when an important issue arises.

Competitive Advantages

Plan Highlights

Guaranteed Issue

No evidence of insurability required at initial enrollment, if the group meets the GI participation requirements and the basic benefit amount is no more than \$20,000.

Flexible Plan Designs

Allows you to configure a plan to meet the needs of your employees or members.

Optional Benefits

You can select basic critical illness insurance, or any of the additional optional benefits including a Wellness benefit, a Recurrence benefit payable at 25% of the previously paid category 1 and 2 benefit as long as 18 months have elapsed, and a Cancer Critical Illness benefit that not only covers Invasive Cancer at 100% of the Critical Illness benefit amount, but also includes a Carcinoma 'In Situ' benefit that pays 25% of the Critical Illness benefit amount.

Composite Rates

For all ages, on a Uni-Tobacco or a Tobacco/Non Tobacco basis.

No Issue Age Limit or Age Reductions

As long as the employee or member is part of the active eligible group, as defined by you (the employer/union/association), he will be eligible for the same benefits as the rest of the group.

Benefits Payable

At date of diagnosis with no survivor requirement.

Dependent Coverage

Available for Spouses or Domestic Partners as well as for dependent child(ren) with a benefit equal to 50% of the employee/member benefit amount.

Portability

Our plan includes a special portability privilege, which allows insured employees/members to take the plan with them once coverage terminates or COBRA has expired. Unlike COBRA, portability even survives termination of the group contract.

Competitive Advantages

Customer Service Highlights

Claims & Customer Service Departments

These departments are integrated to provide immediate service to our customers and their providers.

Average claims turnaround is less than 10 business days!

Bilingual Customer Care Representatives Who Do Not Use Textbook Responses

Your covered employees/members will hear a real life explanation as to how their claim was processed. There are no canned "text book" answers from a general customer service representative. We provide the best possible service that we can, and that requires human touch.

Faxed Claims are Permitted

Insureds are not required to use AWD's claim form. We make it easy to do business with our company.

Payments Will Be Rushed for Hardship Claims

When an insured calls us and needs immediate reimbursement, we work quickly to rush them their claim payment. This is important to the demographic we serve. Insureds often live paycheck to paycheck, so fast reimbursement helps the insured obtain the needed medical attention while meeting their basic living requirements.

Personal Service

Our company always has a live person available to help insureds during normal business hours. The hours of operation are 8:00 am through 8:00 pm EST.

Competitive Advantages

Company Highlights

Allstate Workplace Division's core business is providing payroll deduction insurance products through the workplace.

The Allstate Corporation is the largest publicly owned property & casualty insurer in the United States, with over 20 million customers worldwide.

A+ Rated Insurance Company by A.M. BEST

A.M. BEST is an independent rating service that reviews the financial status of thousands of insurers. Ratings reflect BEST's opinion of the relative financial strength and operating performance of an insurance company in comparison to the norms of the life/health insurance industry.

Over 50 years experience

We have experience administering all aspects of large group medical plans. We provide a solid infrastructure to support the administration of our plans, including claims payment, billing, customer service, eligibility, booklets, enrollment materials, and fraud protection.

We are the Insurance Company, with Everything Done Under One Roof

Many plans have a separate plan administrator from the actual insurance company. This can complicate plan administration. Allstate Workplace Division does everything from the group set-up, eligibility, billing, underwriting, claims payment, and customer service under a single roof.

Broad Product Spectrum

We provide a vast array of other products that can be packaged with the New Generation plan, to better serve the needs of the company and provide additional commissions for the agent.

Local Support

We have over 29 AWD Regional Sales Offices located across the country to help support the sale.

Dedicated Account Management Team with Superior Customer Service

We assign each group to a service team in Jacksonville to help assist with the rollout and on-going H.R. support.

Section 125

Group Voluntary Critical Illness **does qualify** for the pre-tax benefit under Section 125 Cafeteria Plans - meaning payroll deductions can be set up on a pre-tax basis. There could be tax consequences for the insured at the time of claim. The insured should consult with their tax advisor.

Rate Exhibit: Jackson County

Basic Benefit Amount			
Primary Insured	\$10,000.00		\$20,000.00
Insured Spouse & each insured dependent	\$5,000.00		\$10,000.00
Optional/Additional Benefits			
Critical Illness Cancer			
Primary Insured	\$0.00		\$0.00
Insured Spouse & each insured dependent	\$0.00		\$0.00
Recurrence Benefit (does not include Critical Illness Cancer Benefit) [†]	\$2,500.00		\$5,000.00
Wellness Benefit	\$0.00		\$0.00
Category 1 - Group Critical Illness Coverage		Benefit Percentage	
Heart Attack	100%		100%
Stroke	100%		100%
Heart Transplant	100%		100%
Coronary Artery By-Pass Surgery	25%		25%
Category 2 - Group Critical Illness Coverage		Benefit Percentage	
Major Organ Transplant (other than heart transplant)	100%		100%
End Stage Renal Failure	100%		100%
Paralysis (not a result of stroke)	100%		100%
Alzheimer's Disease	25%		25%
Category 3 - Optional Cancer Coverage		Benefit Percentage	
Invasive Cancer	0%		0%
Carcinoma in Situ	0%		0%
Monthly Premium (Uni-tobacco)			
Employee	\$12.94		\$25.89
Employee + Spouse	\$19.14		\$38.27
Employee + Child(ren)	\$13.18		\$26.36
Family	\$19.39		\$38.78
Weekly Premium (Uni-tobacco)			
Employee	\$2.99		\$5.97
Employee + Spouse	\$4.42		\$8.83
Employee + Child(ren)	\$3.04		\$6.08
Family	\$4.48		\$8.95

* The total max percentage paid in Category 1, 2 and 3 is 100% of the Basic Benefit Amount.

† 25% of previously paid Category 1 and 2

Offer is contingent on 161 eligible employees according to the census received. These rates are for an effective date of 01/01/2013 or earlier and proposal expires 11/15/2012. This offer is subject to the greater of 25% participation or 51 enrolled lives.

Rates are contingent upon the employer paying at least 40% of the employee only premium.

Exclusions & Limitations

Exclusions and Limitations

AWD does not pay benefits for an illness due to, or resulting from, (directly or indirectly): any act of war, whether or not declared, participation in a riot, insurrection or rebellion; or intentionally self-inflicted injuries; or injury incurred while engaging in an illegal occupation or committing or attempting to commit a felony; or attempted suicide, while sane or insane; or any injury sustained while under the influence of alcohol, narcotics or any other controlled substance or drug unless administered upon the advice of a physician; or participation in any form of aeronautics except as a fare paying passenger in a licensed aircraft provided by a common carrier and operating between definitely established airports; or alcohol abuse or alcoholism, drug addiction or dependence upon any controlled substance. State variations exist.

Pre-existing Conditions

AWD does not pay for any loss due to a pre-existing condition, as defined, during the 12 month period beginning on the date the person became insured. A pre-existing condition is a disease or physical condition for which symptoms existed within the 12 month period prior to the effective date of coverage; or medical advice or treatment was recommended or received from a member of the medical profession within the 12 month period prior to the effective date of coverage. A pre-existing condition can exist even though a diagnosis has not yet been made. State variations exist.

The policy is a limited benefit Critical Illness Policy with optional benefits, which provides stated benefits for specified illnesses or other benefits that may be added.

Please Note:

Actual language in the group policy may differ if required by the laws of the state in which the policy is issued.

This material is valid as long as information remains current, but in no event later than September 1, 2012. Group Voluntary Critical Illness benefits provided by policy form GVCIP1, or state variations thereof. The policy is underwritten by American Heritage Life Insurance Company. Policies herein may have exclusions and limitations. For costs and complete details of the coverage, contact your Insurance Agent, or call 1 (800) 521-3535.



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