

Companion Life Insurance Company

Administrative Guide
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About Your Companion Life Administrative Guide

This administrative guide will provide you with the basic instructions necessary for the proper administration of your Companion Life Group Insurance Plan. All coverages offered by Companion Life are described in this guide. Your administrative kit contains only those forms applicable to your policy.

We have tried to make these instructions easy to understand, simple to use and as concise as possible. The provisions of your Master Policy will apply in determining the rights and obligations of all parties under the plan.

Important Requirements

1. Review documents in the welcome kit to ensure accuracy and completeness of all coverage and benefits.
2. Develop a procedure to follow so that enrollment forms for new, additional or changed employees will be completed accurately before being sent to Companion Life. Incomplete applications will be returned for additional information.
3. Write your Companion Life 10-digit group number, 3-digit division number, appropriate department number (if applicable) and employee's identification number on all forms and letters when submitting documentation to Companion Life.
4. Ensure all group related changes, such as additions, deletions, salary updates, etc. are made in a timely fashion – preferably three weeks prior to the next bill due date. Companion Life policy for retroactivity is no more than 60 days from the current due date. Any request outside of this will be sent to Underwriting for approval.
5. ALL premium payments must be received three weeks prior to the next bill due date, in order for it to be reflected on the next bill. Premium is always applied to the oldest unpaid bill.
6. Payments must be sent in with the perforated portion of your bill to ensure proper allocation. If a group has multiple divisions and one check is being submitted, then a breakdown of payments must be submitted. If more than one check is being submitted then the perforated portion of that bill must accompany the check.

Section I

New Enrollments

Who is eligible for insurance?

1. New employees who have completed the Group's service waiting period and are eligible employees, as defined in your Master Policy.
2. Active employees first entering a class of employees eligible for insurance.
3. Active employees who apply for insurance more than 31 days after their eligibility date or who previously waived the right to insurance but now desire it. Companion Life will require satisfactory Evidence of Insurability. See page 9, "When a Health Statement or other Evidence of Insurability is required."
4. If an eligible employee is not actively at work on the effective date of the policy or on the effective date of his/her certificate, then coverage will not take effect for that employee until the date he/she returns to active work.

Processing New Enrollments

If an employee's amount of group life insurance requested exceeds the Guaranteed Issue (GI) amount, a completed Health Statement or Evidence of Insurability form must be submitted to Companion Life for review. If no Health Statement or Evidence of Insurability form is submitted, or if Companion Life denies the request for the amount over the GI amount, then the employee will be covered for the GI amount only.

Any premium due for such individual will be based on the appropriate premium for the amount of insurance in the Guarantee Issue class.

Unless provisions have been made to the contrary, the full amount of insurance will take effect on the first premium due date following the date of approval.

Upon approval of the Health Statement or other Evidence of Insurability, the premium due will change on the first of the month or the next premium due date, following the effective date of the approved additional amount of insurance.

Check your Master Policy for the applicable provision and details on the coverage.

Companion Life will produce Temporary Vision ID Cards, Certificates of Insurance and or Dental Cards. We will forward these certificates, dental cards or temporary vision ID cards to the Group Administrator or Agent as requested for delivery to the insured employees. Should you need additional certificates and or dental cards, please contact us at 1-800-753-0404. **All permanent vision ID cards will be mailed directly to each employee's home address from EyeMed.** Should you need additional permanent vision ID cards, please contact "EyeMed Vision Care" at 1-866-723-0513 to speak with an EyeMed representative.

Please ensure that all information is completed on the enrollment form (i.e., Name, Social Security Number, Group Number, Department Number, Date of Hire, Effective Date, Class, Salary, Date of Birth, Marital Status, Dependent Information if dental, etc.). Also, be sure to include Beneficiary information.

If the employer (policyholder) pays all of the cost, 100% of all eligible employees must be enrolled unless a written waiver is received. If, in addition to a partial contribution by the employer, the insured employees contribute to the cost, 75% of all eligible employees must be enrolled.

For dental coverage, list all dependent(s) with first and last name, if different from insured, and date of birth(s) complete the other Dental Insurance section. If a dependent is over the maximum age limit, include proof of full-time student status, if applicable, or medical documents if the dependent is incapacitated. Refer to Master Policy.

When a Health Statement or Other Evidence of Insurability is Required

Generally, any time an employee elects to add, or increase, coverage for which he or she was previously eligible but did not choose to enroll, a Health Statement or other Evidence of Insurability is required. This is true even if he or she elects coverage on the group's anniversary date. This is not applicable for dental but the employee must satisfy the group's waiting period. The effective date for coverage on the person who has submitted Evidence of Insurability is the first of the month, or the next premium due date, following the date the coverage was approved by Companion Life. The premium will be reflected on the subsequent Billing Statement. If an employee cancels their dental coverage but not employment, the employee cannot reenroll.

Note: Companion Life reserves the right to issue a lower Voluntary Life & AD&D benefit amount based on underwriting guidelines.

An employee is eligible for dependent life coverage on his or her original eligibility date or when marriage, birth, adoption, etc. occurs. If the employee does not elect to take the coverage within 31 days of becoming eligible, completion of a Health Statement on the employee's spouse and dependent children will be required before coverage can be made effective.

A Health Statement will be required when an employee elects to take either Employer Paid or Voluntary Short Term or Long Term Disability insurance more than 31 days after the original eligibility date.

Section II

Changes for Insured Employees

All changes must be requested in writing.

1. Change in an insured employee's earnings or job classification.

If an insured employee is not actively at work on the date when an increase in the amount of insurance is to take effect, then the increase will not take effect until the employee returns to active work.

Decreases in the amount of an insured employee's insurance will take effect on the first of the month, or the next premium due date, following the date of change.

Note: Salary updates are extremely important on groups with salary based benefits. Death and disability claims will be adjudicated using the latest reported salary, prior to loss. No salary updates will be permitted at claim time.

2. Termination of an employee's coverage. Report the termination of an employee's coverage when:

- a. The employee ceases employment.
- b. The employee is no longer eligible and does not meet the requirements of an Active Employee as defined in Section I.

- c. The employee is deceased.

3. Addition or change of a dependent's coverage.

If an insured employee desires dependent coverage after becoming insured, and such request is made **within 31 days** from the date that an eligible dependent was acquired (i.e., marriage), please note the date of change on the Billing Statement.

4. Termination of a dependent's coverage.

Report the termination of dependent coverage only in situations affecting premiums such as:

- a. An insured dependent child or spouse should die and no eligible dependent remains.
- b. Insured employee and insured spouse are legally separated or divorced and there are no dependent children to be insured.
- c. If a dependent child is no longer eligible, or reaches termination age, and there is no insured spouse. Refer to Master Policy.
- d. If the employer cancels dependent coverage from the Master Policy.

Note: Please ensure that all changes are made in a timely fashion so that billing and group information are correct. We limit retroactivity to no more than 60 days.

Section III

Billing Statement

1. Normal group changes.

Regular changes (i.e., deletions, name and identification number changes) should be made on the Billing Statement. There is a code key at the bottom of the Billing Statement which should be used for changes: LE=left employment, FE=future effective, REF=refusal of coverage, DEC=deceased. To submit changes on the Billing Statement simply place the appropriate code by the group member's name and make the necessary correction. For terminations, please be sure to note the effective date of termination or we will use the due date of the Billing Statement.

2. Termination of a dependent's coverage.

Should an insured employee no longer have eligible dependents (spouse or dependent children), indicate the date the coverage is to be cancelled.

3. Calculating the premium due.

Please pay as billed. Changes (additions, deletions, salary updates, etc.) will be reflected in the next month's Billing Statement.

4. Salary Updates.

Salary changes may be made on the Billing Statement or submit a change request enrollment form. If a change is being made on the Billing Statement then give the effective date of the change/update next to the name of the

employee. Salary updates on salary based benefits are extremely important. Death and disability claims will be adjudicated using the latest reported salary. **No salary updates will be permitted at claim time.**

5. Death of an employee.

Normally we would automatically terminate the insured employee when notified of the death claim; however, there are many times when the Billing Statement will be generated prior to our office being notified of a claim. You should place the appropriate code “DEC” by the deceased employee’s name and the date of death.

6. Waiver of Premium/Extended Death Benefit.

All life policies will include either a Waiver of Premium provision or an Extended Death Benefit provision.

- a. Waiver of Premium, when approved by Companion Life, waives the life premium for an eligible disabled employee. Refer to your Master Policy. Upon written notice of approval, the employee can be removed from the bill. This will be done automatically. However, if you receive a bill that still includes the employee after you have received written approval then you should place the appropriate code “WOP” by the employee’s name and the date of the approval notice.

In order to be eligible for the Waiver of Premium, the claim must be filed within 12 months of the last day worked.

Refer to page 23 for information regarding how to file for Waiver of Premium Benefits.

- b. Extended Death Benefit waives the life premiums for an eligible disabled employee for one year from the date of total disability.

7. Age reduction.

Age reductions will occur on the insured employee's birth date. A prorated premium will be reflected on that month's Billing Statement. Refer to your Master Policy for this provision, if applicable.

8. Age rate changes for Voluntary products.

- a. Rate changes for Voluntary Life and LTD are on an annual basis. An employee who's age change warrants a rate change will be reflected on the next anniversary date.
- b. Voluntary STD will always be based upon the employee's age at the time of enrollment.
- c. A report is generated three months in advance in order to advise the group of the necessary updates.

Note: Retroactive changes will be made for no more than 60 days.

Section IV

Conversion of Insurance

Employees

An insured employee is entitled to the conversion privilege for the basic life insurance (no AD&D) when all or part of an insured employee's basic life insurance ends due to:

1. Termination of employment.
2. Termination of membership in a class of eligible employees (i.e., change to a job classification not covered).
3. Reduction in coverage due to age.
4. Termination of the Master Policy or Insurance on any class. **The condition pertaining to employment must be met. See your Master Policy.**

The insured employee must convert insurance within 31 days after the group insurance ends or the conversion privilege will cease to apply.

It is the responsibility of the group and/or the employee to request conversion from us within the 31 day time frame.

Dependents

An insured dependent may convert basic dependent life insurance coverage when all or part of the dependent's basic life insurance under this policy ends due to:

1. The employee's termination of employment.
2. The employee's termination of membership in a class of eligible employees.
3. The employee's death.
4. The dependent's change of status.
5. The termination of the policy or termination of the dependent provisions under the policy. **The dependent must meet the conditions shown in the Master Policy.**

The insured dependent must convert insurance within 31 days after the group insurance ends or the conversion privilege will cease to apply.

It is the responsibility of the group and/or the employee to request conversion from us within the 31 day time frame.

Processing Conversion

Give the insured employee an “Application for Conversion of Group Life Insurance” form to be completed by the insured employee and/or eligible dependent. **It is your obligation to let the insured employee know of the conversion benefit upon termination of the individual’s coverage.**

1. The Application for Conversion of Group Life Insurance must be completed and signed by the insured employee or, if applicable, by the dependent.
2. The form must then be sent to Companion Life with a quarterly, semiannual or annual premium. Monthly deductions can only be made through bankdraft and a voided check must accompany the application and required premium check. A table for the required premium amount is shown on the Conversion Form.
3. An individual policy and future premium statements will be sent directly to the insured.

Conversion privileges do not apply to Accidental Death and Dismemberment coverages.

Section V

Portability for Voluntary Life

Portability for Voluntary Life

The insured employee is entitled to the portability privilege for Voluntary Life coverage.

Application and Premium Payment

As a group administrator, please inform members of the following:

You must apply in writing to Companion Life within 31 days after the date of employment ends.

You must pay the required premium directly to Companion Life. The premium rate will be the same rate applicable to your employer. Any rate changes which become effective for your employer will become effective for you on the same date. The first premium payment must be made no later than 31 days after the date the insurance would otherwise terminate.

Amount of Insurance

The maximum amount of insurance you may continue is the amount in effect on the date employment terminates. You may continue any lesser amount in increments available to active employees (for the spouse, in increments available for spouses to active employees). The amount you continue for your spouse may not exceed 50% of your amount, up to maximum benefit of \$50,000.

Dependent children will not be eligible for this provision although you may apply to convert the child benefit amount.

You may not change the elected amounts on insurance continued under these provisions. The reduction and termination provision stated on the Schedule of Insurance in effect on the date employment terminates will still apply to this insurance.

When Insurance Ends

Insurance continued under this provision ends automatically on the earliest of:

1. The date the last period ends for which you made a premium payment.
2. The date the group policy terminates.
3. The date your employer's participation under this group policy ends.
4. The date you become a full-time member of the armed forces of any country.

When your insurance under this provision ends, you and your spouse may be eligible to convert this insurance to an individual policy under the Conversion Provision of this group policy. Refer to your Group Certificate.

Group Policy Provisions

The Waiver of Premium provisions will not apply to insurance continued under these provisions. Insurance continued under these provisions is subject to all other terms of the group policy, except as provided above.

You are required to also provide to Companion Life any notice you

are required to provide to your employer under other provisions of the group policy while the insurance is continued.

Exclusions for Continuation of Portability

Insurance cannot be continued under this provision if your insurance terminates because of one of the following:

1. The group policy terminates.
2. Your employer's participation under the group policy terminates.
3. Retirement.

Section VI

Claims Procedures

It is important that you immediately notify the Companion Life Claims Department of the existence of a claim. Claim forms must be filled out completely and accurately.

Payroll records will be required on **all** employees who have been insured with Companion for less than two years or are 65 years of age and older by the form of payroll records at the time of the claim unless a special provision or arrangement has been approved during the initial enrollment of the group.

Processing Death Claims

The following information is necessary to process a death claim:

1. Claim form completed by the employer and the claimant.
2. Certified (raised seal) copy of the Death Certificate.
3. Original Enrollment Form and any enrollment forms with beneficiary changes.
4. For Accidental Death claims, a copy of the highway accident report, investigating officer's report and a coroner's report, if applicable.

All of the above documents should be directed to the Companion Life Claims Department. Incomplete information will cause delays. The Claims Department will direct all requests for missing information to you and/or the beneficiary.

Any benefit becoming due by reason of death of an insured employee will be paid to the beneficiary designated by the insured. If the insured employee has died and no beneficiary is living or named, Companion Life will pay the amount shown in the application to the member(s) of the first surviving class in the following order listed below.

The insured employee's:

1. Spouse
2. Child(ren)
3. Parent(s)
4. Brother(s) and sister(s)
5. Executors and administrators

Companion Life will not be liable to the extent of any payment so made, unless we receive written notice of a valid claim by some other person before payment is made. Payment made on behalf of a minor is conditional upon receipt of guardianship papers. In community property states, the spouse may be entitled to 50% of the proceeds from the insurance policy unless he/she waived his/her rights to the proceeds.

Under the most common arrangement for benefit payment, benefits in the amount of \$5,000 or more will be deposited in an interest-bearing money market checking account established in the beneficiary's name.

This money market checking account is called an "Insured Benefit Account." The beneficiary will receive personalized checks and may immediately utilize all or a portion of the funds by writing checks against the account.

The minimum amount that may be written per check is \$250.00. A monthly statement is sent to the beneficiary with notification of any account activity, interest earned and the account balance.

If the benefit is less than \$5,000 then a check will be issued to the beneficiary.

Companion Life will mail you notification when the claim is paid.

Note: Death and disability claims on groups with salary based benefits will be adjudicated using the latest reported salary, prior to loss. No salary updates will be permitted at claim time.

Processing Dismemberment Claims

When the claim form has been fully completed, it must then be submitted to Companion Life for processing. Companion Life will return incomplete forms to the insured employee or employer for completion. This will delay processing of the claim.

Processing Dependent Death Claims

Dependent Death claims are submitted on the same claim form as an Employee Death claim. A certified (raised seal) copy of the Death Certificate and a copy of the employee's Enrollment Form are also needed. The insured employee is the designated beneficiary for this benefit.

Processing Waiver of Premium

If an insured becomes totally disabled, prior to age 60, Companion Life will waive premium for the Basic Term Life Insurance Benefit. The Waiver of Premium will begin on the first of the month following 12 consecutive months of total disability.

The insured must file a written notice within 12 months after the date of total disability to be eligible for this benefit.

The following information is necessary to process a Waiver of Premium claim:

Waiver of Premium Application – three part form to be completed by the insured employee, employer and attending physician.

Processing Accelerated Benefit Claims

Accelerated Benefit claims are submitted on a separate claim form designed for this benefit. Proof of Terminal Illness certified by the attending physician and one other physician must be provided as well. Terminal illness would be defined as life expectancy of 12 months or less as deemed by the attending physician.

Processing Short Term Disability Claims

At the beginning of the disability period, the insured employee must submit the Short Term Disability Accident or Sickness Claim form. Payroll records are required on all employees 65 years or older. The employer should provide only the initial claim form to the insured employee. Periodic physicians statements would be needed by the insured to continue benefits.

1. The insured employee must complete Part I and sign the Authorization to Release Information.
2. The insured employee must have the attending physician complete and sign Part II.
3. The employer must complete Part III.

Once this form has been fully completed, the employer must submit it to Companion Life for processing. Incomplete forms will be returned to the employer for completion and this will delay the processing of the claim.

Premium payments must be paid during any period for which Short Term Disability benefits are payable. There is no Waiver of Premium for Short Term Disability.

The employer must notify Companion Life when a disabled insured employee returns to work on a part-time or full-time basis.

The “Return To Work Notice” is completed by the employer/group administrator and must be mailed, faxed or phoned to Companion Life.

Please refer to “Important Tax Information on Disability Claims” on page 30.

Note: Death and disability claims on groups with salary based benefits will be adjudicated using the latest reported salary, prior to loss. No salary updates will be permitted at claim time.

Short Term Disability claims status and benefit payment status may also be obtained by calling the Companion Life Voice Response Unit (VRU).

The automated telephone system provides information to our subscribers on current claims status, benefit payment status (benefit check numbers, date of benefit check issue, benefit check amount and the disability benefit period for which the benefit is being paid). If the information needed cannot be provided by the VRU the caller may transfer at any time to a claims representative.

The telephone number for the Companion Life Voice Response Unit for Short Term Disability is **1-800-753-0404, extension 45922.**

Processing Long Term Disability Claims

Long Term Disability claims must be submitted at least half way through the elimination period. LTD claims should be sent to:

Companion Life Insurance Company
PO Box 2993
Hartford, CT 06104-2993

To expedite the handling of new claims, forms may also be faxed to: (860) 392-3672. Originals must follow by regular mail.

For questions regarding Long Term Disability claims call – 1-800-892-0430 or fax (860) 843-4716.

1. The insured employee must complete all questions, sign and date the top portion of the claim form.
2. The insured employee must have the physician complete, sign and date the back of the claim form.
3. The employer must complete all questions, sign and date the bottom portion of the claim form.

When submitting the form please be sure that each party fully completes their portion. This will help prevent any unnecessary delays.

Long Term Disability claims approval/denial can take up to 60+ days to process. Companion Life encourages claimants to provide necessary information as soon as the disability is determined to avoid delay in the payment of benefits. Once Companion Life determines that the insured employee qualifies for Long Term Disability benefits the LTD premium will be waived. You will receive written notification of approval or denial.

After the initial approval, monthly benefit payments are timed to be received by the end of the month for which benefits are due. An individual may request payments to be made electronically through our Electronic Fund Transfer process.

Benefits are not integrated with any individually owned policies or individual retirement benefits.

Note: Death and disability claims on groups with salary based benefits will be adjudicated using the latest reported salary. No salary updates will be permitted at claim time.

Approval of LTD benefits does not constitute approval for Waiver of Premium. The employee must file separately for life insurance premium to be waived. Refer to pages 13 and 23 for additional information.

Processing Dental Claims

Dental claims may be submitted on the Companion Life Dental Claim form or any claim form approved by the American Dental Association.

Dental claim status may be obtained by the employee or the dental provider by calling the Companion Life Voice Response Unit (VRU). This is an automated telephone system that allows you access to our computer 24 hours a day with all information on dental claims, dental benefits and eligibility for our dental subscribers. If a call is made during our regular office hours and the inquiry cannot be handled through the VRU then the call will be transferred to a phone representative.

The telephone number for the Companion Life Voice Response Unit for Dental is 1-800-765-9603.

Or, contact us by writing at:

Companion Life Insurance Company
PO Box 100102
Columbia, SC 29202-3102

Written HIPAA Authorization must be on file from the subscriber in order for a group administrator, agent or broker to discuss dental claims information.

Processing Vision Claims

Vision claims should be sent to:

EyeMed Vision Care
Attn: OON Claims
PO Box 8504
Mason, OH 45040-7111

To speak with an EyeMed representative call: 1-866-723-0513.

To locate an EyeMed Provider call: 1-866-723-0596.

To expedite the handling of new claims: Fax to 1-866-293-7373 or E-mail form and receipts to ***oonclaims@eyemedvisioncare.com***

The insured employee must complete all requested information on the claim form and attached all **itemized paid receipts** that indicate services provided and the amount charged for each service prior to submitting the claim form to EyeMed. Any missing or incomplete information may result in delay of payment or the form being returned.

The insured employee must make sure the claim form has been signed and dated.

Important Tax Information

Please note: The following is a simplified summary of the current tax law. Companion Life does not provide legal or tax advice; therefore, we encourage you to review the complete text of the law to establish its full application to your situation. We also encourage you to consult your tax advisor, attorney, or accountant regarding your specific responsibilities as an employer.

Companion Life is not your agent with respect to disability claim payments. Accordingly, under current tax law, Companion Life is only responsible for withholding the employee's portion of FICA and making timely deposits of the amounts withheld. The employer's share of the FICA is payable by each employer upon notification from Companion Life of the amount of disability benefits paid to the insured employee.

The law further provides that certain payments are not subject to FICA, including payments attributable to employee contributions, payments that when combined with the regular wages and sick pay previously paid to the employee during the year exceed the applicable wage base, and payments after 6 months absence from work. Therefore, it is necessary when submitting disability claims that you advise us of the following:

- The employee contributions to the plan made with after tax dollars
- The total wages paid to the employee during the calendar year
- The last month in which the employee worked

Although disability benefits paid by Companion Life are not subject to mandatory federal income tax withholding, an employee may elect to have federal income tax withheld by submitting form W-4S to Companion Life. If the insured employee does not submit a Form W-4S, federal income tax will not be withheld from the benefit payments.

To facilitate recordkeeping for your compliance with the law, Companion Life will provide you, on a weekly and quarterly basis, with a listing of amounts paid and taxes withheld. This report will give you sufficient information to complete your own FICA reporting. In addition, Companion Life will provide you an annual report prior to January 15th of each year following the year in which the disability benefits are paid. You should use this report to prepare Forms W-2 for your insured employees. **Companion Life does not prepare Forms W-2.** The annual report will include the following information:

- The employee's name
- The employee's SSN(if taxes were withheld)
- The disability benefits paid to the employee
- Any federal income tax withheld
- Any employee social security tax withheld
- Any employee Medicare tax withheld

If you have any questions or concerns about the above information, or if we may be of service to you, please contact Companion Life Claims at 1-800-753-0404, extension 45922.



