

NORTH AMERICAN BENEFITS COMPANY

20 Valley Stream Parkway, Suite 310

Malvern, Pennsylvania 19355

SELF-ADMINISTRATION PROCEDURES

ENROLLMENT:

Employees eligible for insurance are as defined under your Group Plan of Insurance. Employees must satisfy any applicable waiting period.

Employees not actively at work are not eligible for coverage.

Each employee should complete and sign an Enrollment form (#G13416U) when hired. A standard routine for enrolling new employees will help to avoid overlooking someone. Give the employee a copy of the Enrollment form and keep the original with your insurance files. It will be necessary to submit the original form at the time of a claim.

If an employee contributes toward the cost of his or her insurance, he or she must enroll within 31 days of the date he or she becomes eligible for insurance. If the employee declines coverage, an enrollment form indicating DECLINED should be completed.

If an employee is required to contribute to the cost of Dependent Life Insurance he or she must enroll the dependents within 31 days of the date they become eligible for such insurance.

If the employee and/or dependents are not enrolled within the 31 day period they are considered late entrants and must submit a Statement of Insurability form(s). Coverage will not be effective until the form(s) are approved by AUL. Do not begin payroll deductions until you are notified of the approval.

Premium payment for employees and dependents begins on the first day of the month following the effective date of coverage.

If your Group Plan is non-contributory, each eligible employee and dependent must be covered and premium paid accordingly.

If an employee is eligible for or enrolls for an amount of insurance over the guaranteed issue amount of coverage, a Statement of Insurability form is required.

EMPLOYEE BENEFIT CHANGES:

If your Group Plan has benefits based on an employee's salary, new employee benefits must be calculated each time an employee has a salary change. Premium should be paid on the first day of the month following the effective date of change in benefits.

If your Group Plan contains a reduction schedule based on age, benefits should be reduced at the time of age change and premium reduced on the first of the month following the age change.

If your Plan's rates are age banded, premiums should be increased on the first of the month following the employee's entry into a new age bracket.

BENEFICIARY:

If your Group Plan provides Life Insurance, the beneficiary designation portion of the Enrollment Form (#G-13416U) must be completed and the card must be signed. Legal appointment of a guardian is required if a minor is named beneficiary.

CHANGE OF NAME OR CHANGE OF BENEFICIARY:

To change a name use Form #G-13049G. To change a beneficiary use Form #G-13117H. Give the employee a copy of the form and keep the original with the enrollment form in your files.

EMPLOYEE TERMINATION:

An employee's insurance can terminate due to termination of employment or eligibility, lay-off, leave of absence or death. Please reference your Group Plan of Insurance for the specifics.

EMPLOYEE TERMINATION (con't.):

The lay-off or leave of absence provision must be applied uniformly to all insureds and the appropriate premium remitted.

EMPLOYEE REINSTATEMENT:

Refer to the Policy section titled Individual Reinstatements for details.

A person who voluntarily withdraws from a contributory plan **must** submit a Statement of Insurability form if he later wishes to be insured. Coverage will not be effective until the form is approved by AUL.

BILLING:

Each month you will receive a billing statement with preprinted rates by line of coverage, and the number of insured and volume of insurance based on your calculations from the prior month's statement. This billing statement will only be generated after the prior month's premium has been paid. See sample and instructions for preparation.

A grace period of 31 days is allowed for the payment of premium. Reminder notices are mailed on or about the 20th day following the premium due date. If premium remains unpaid past the 31 day grace period, coverage will lapse. Prompt premium payments help to ensure uninterrupted claim service.

CONVERSION:

Under state laws, terminated employees must be notified by their employer of their right to convert the Group Life Insurance to an individual policy. Should the eligible employee take an interest in converting the Group Life Insurance, the appropriate Conversion Form(s) must be completed by the employer and employee then mailed to North American Benefits Company (NABCO).

CERTIFICATE OF INSURANCE:

You have been provided with a supply of certificates which were prepared for your plan. A certificate should be given to each employee who is eligible under the plan.

AUDITS:

Each year you will be asked to provide North American Benefits Company (NABCO) with a complete employee census so that we may perform our annual administrative audit. You may be required to provide additional information regarding the administration of the Group Plan based on the findings of the audit.

ORDERING ADDITIONAL SUPPLIES:

When ordering supplies you may contact North American Benefits Company (NABCO) at 1-800-537-4565 ext. 7021 or send a written request to the address on the front of this page. Please include your Group Plan number, type of supplies you are requesting (Claim forms, Enrollment forms, Certificates, etc.) and where the supplies should be mailed.

Please allow at least 2 weeks for delivery.

IMPORTANT

If the terms shown on this instruction sheet differ from your Group Plan of Insurance, then the Group Plan of Insurance will govern.