

MedMutual Life[®] Billing Guide





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Basic Life Insurance

Follow the considerations below for accurate basic life insurance premium calculations:

- Basic life rates are generally quoted per \$1,000 of coverage and billed on a monthly basis.
- Minimum and maximum benefit limits can vary by class.
- If the employee has exceeded the plan maximum benefit level, the benefit must be capped at the maximum benefit amount.
- Be sure to adjust for any applicable employee benefit reduction schedule(s).
 - The reduction ages and corresponding percentages will be outlined in your group’s proposal and/or final certificate.
 - Reduction percentages are applied to the original amount of insurance in effect; any subsequent reductions can occur on the face amount or reduced amount. This is outlined in the final sold proposal.
 - Calculate benefit completely, including rounding if applicable and then apply the reduction percentage.
 - Reduction should be applied at the birthday of the achieved age.
- Earnings-based benefits may be rounded. Your group’s proposal and/or final certificate will indicate the rounding formula.
- Premium rates for each life coverage will typically be different. Use the correct premium rate for each insurance benefit.

Calculation Examples

In the example below, basic life plan design is 1× salary to a maximum of \$150,000, rounded to the next higher \$1,000.

| Age | Annual Salary | Calculating Volume | | Basic Life Volume |
|-----|---------------|------------------------------------|----------------------------------|-------------------------------|
| 25 | \$45,967 | $\$45,967 \times 1 = \$46,000$ | (rounded to next higher \$1,000) | \$46,000 |
| 48 | \$65,201 | $\$65,201 \times 1 = \$66,000$ | (rounded to next higher \$1,000) | \$66,000 |
| 50 | \$203,054 | $\$203,054 \times 1 = \$150,000^1$ | (capped at max amount) | \$150,000 |
| 68 | \$85,621 | $\$85,621 \times 1 = \$55,900^2$ | (reduction formula applied) | \$55,900 |
| | | | | \$317,900 Total Volume |

Basic Life Calculation

$\$317,900$ (total volume) \div (1,000 \times \$0.12) (rate) = \$38.15 monthly premium

1 Volume is capped at plan maximum of \$150,000.

2 Employee is over age 65, so reduction formula is applied. Benefits reduce by 35% at age 65.

IRC Section 79 – Employer Paid Group Term Life

- Anything an employee receives from their employer as compensation for services—including fringe benefits—counts towards their gross income under Internal Revenue Code (IRC) Section 61, unless specifically excluded by some other IRC section.
- Section 79 of the IRC provides such an exclusion. It stipulates that the cost of the first \$50,000 of employer-provided group term life insurance is generally excluded from the employee's imputed income.

Imputed Income

- A taxable fringe benefit arises if coverage exceeds \$50,000 and the policy is considered carried directly or indirectly by the employer.
- The imputed cost of coverage in excess of \$50,000 must be included in income, using the IRC Premium Table, and are subject to social security and Medicare taxes.
- The amount of the income imputed under Section 79 is reported on an employee's Form W-2.

Accidental Death & Dismemberment (AD&D) Insurance

Follow the considerations below for accurate AD&D premium calculations:

- AD&D rates are quoted per \$1,000 of coverage and are billed on a monthly basis.
- Minimum and maximum benefit limits can vary by class.
- If the employee has exceeded the plan maximum benefit level, the benefit must be capped at the maximum benefit amount.
- Be sure to adjust for any applicable employee benefit reduction schedule(s).
 - The reduction ages and corresponding percentages will be outlined in your group’s proposal and/or final certificate.
 - Reduction percentages are applied to the original amount of insurance in effect; any subsequent reductions can occur on the face amount or reduced amount. This is outlined in the final sold proposal.
 - Calculate benefit completely, including rounding if applicable and then apply the reduction percentage.
 - Reduction should be applied at the birthday of the achieved age.
- Earnings-based benefits may be rounded. Your group’s proposal and/or final certificate will indicate the rounding formula.
- Premium rates for each life coverage will typically be different. Use the correct premium rate for each insurance benefit.

Calculation Examples

In the example below, AD&D plan design is 1× salary to a maximum of \$150,000, rounded to the next higher \$1,000.

| Age | Annual Salary | Calculating Volume | AD&D Volume |
|-----|---------------|---|-------------------------------|
| 25 | \$45,967 | $\$45,967 \times 1 = \$46,000$ (rounded to next higher \$1,000) | \$46,000 |
| 48 | \$65,201 | $\$65,201 \times 1 = \$66,000$ (rounded to next higher \$1,000) | \$66,000 |
| 50 | \$203,054 | $\$203,054 \times 1 = \$150,000^1$ (capped at max amount) | \$150,000 |
| 68 | \$85,621 | $\$85,621 \times 1 = \$55,900^2$ (reduction formula applied) | \$55,900 |
| | | | \$317,900 Total Volume |

AD&D Calculation

$\$317,900$ (total volume) \div (1,000 \times \$0.02) (rate) = \$6.36 monthly premium

Supplemental Life Insurance

Follow the considerations below for accurate supplemental life insurance premium calculations:

- Supplemental life rates are generally based on five-year age bands for the employee's age per \$1,000 of coverage and billed on a monthly basis.
- Be aware of minimum and maximum benefit limits.
- If the insured has exceeded the plan maximum benefit level, the benefit must be capped at the maximum benefit amount.
- Be sure to adjust for any applicable employee benefit reduction schedule(s).
 - The reduction ages and corresponding percentages will be outlined in your group's proposal and/or final certificate.
 - Reduction percentages are applied to the original amount of insurance in effect; any subsequent reductions can occur on the face amount or reduced amount. This is outlined in the final sold proposal.
 - Calculate benefit completely, including rounding if applicable and then apply the reduction percentage.
 - Reduction should be applied at the birthday of the achieved age.
- Earnings-based benefits may be rounded. Your group's proposal and/or final certificate will indicate the rounding formula.
- While remitted to carrier on a monthly basis, groups may request that benefit summaries reflect calculations that are illustrated according to the company's payroll cycle. Options could be monthly, biweekly (24 or 26 pays) or weekly.
- If you are enrolling a new employee that is subject to evidence of insurability, wait until you receive approval from MedMutual Life to begin withholding contributions for the amount exceeding the non-medical maximum.
- Premium rates for each life coverage will typically be different. Use the correct premium rate for each insurance benefit.
- Supplemental life rates are based upon five-year age bands. An employee or spouse could move from one band to the next as they get older, affecting their current deduction and billed amount. A decision needs to be made when age increases will take effect. For groups under 50 lives, MedMutual Life's standard is to "age" the member on the insured's birth. The following are options for groups 51+ and MedMutual Life typically discusses this during the group's installation:
 - Insured's birthday (MML Standard)
 - Jan. 1 of each calendar year
 - Plan anniversary date

Please ensure your system can age employees correctly to allow them to be captured in the correct age band.

- A list-billed customer's monthly invoice will be automatically adjusted for whatever 51+ option is selected. You should reconcile your monthly list bill against the actual payroll deduction being taken to ensure they match.
- A self-administered customer will need to adjust their calculations for their monthly premium statement as well as the actual payroll deduction being taken.

A Few Extra Details About Supplemental Dependent Life Insurance

- Dependent spouse life rates can be a flat rate, but they can also be based on five-year age bands per \$1,000 of coverage. If age banded, take note if the rate calculation is based upon the employee’s birthday (MML Standard) or the spouse’s birthdate. Both types of rates are billed on a monthly basis.
- Dependent child life rates can be quoted as a per \$1,000 of coverage rate, but more often are quoted as a “per family unit rate.” With a “per family unit rate,” the cost is the same flat rate each month no matter how many children are enrolled per family.

How to Calculate Supplemental Life Premium (paid for by employee)

- Supplemental life benefit \$100,000
- Employee’s age* 35

| Age | <25 | 25–29 | 30–34 | 35–39 | 40–44 | 45–49 | 50–54 | 55–59 | 60–64 | 65–69 | 70–74 | 75+ |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| Rates | 0.090 | 0.090 | 0.100 | 0.110 | 0.150 | 0.220 | 0.350 | 0.700 | 1.020 | 1.670 | 2.9499 | 4.7199 |

- Monthly calculation: $\$100,000 \text{ (benefit)} \div (1,000 \times \$0.110 \text{ (rate)}) = \11.00 monthly premium for supplemental life
Groups often like to see the calculation to reflect their payroll cycle, since this is a payroll deducted benefit. Some additional optional calculations are the following:
 - Biweekly/26 pays calculation: $\$100,000 \text{ (benefit)} \div (1,000 \times \$0.110 \text{ (rate)}) \times 12 \text{ months}/26 \text{ pay cycles} = \5.07 biweekly/26 pays premium for supplemental life
 - Biweekly/24 pays calculation: $\$100,000 \text{ (benefit)} \div (1,000 \times \$0.110 \text{ (rate)}) \times 12 \text{ months}/24 \text{ pay cycles} = \5.50 biweekly/24 pays premium for supplemental life
 - Weekly calculation: $\$100,000 \text{ (benefit)} \div (1,000 \times \$0.110 \text{ (rate)}) \times 12 \text{ months}/52 \text{ pay cycles} = \2.54 weekly premium for supplemental life

IRC Section 79 – Employee Paid Group Term Life

- Section 79 also states the cost of coverage for employee paid group term life can also be excluded from the employee’s gross income when:
 - The employee pays 100% of the additional group term life plan and,
 - Premium rates do not straddle Section 79’s Table I rates.
 - Straddling occurs when at least one employee pays less for coverage than the table’s rates and at least one employee pays more than the table’s rates.
 - To avoid any straddles, employee paid group term life plan rates must be either the same or lower than Table I rates or be the same or higher than Table I rates.

| Age | <25 | 25–29 | 30–34 | 35–39 | 40–44 | 45–49 | 50–54 | 55–59 | 60–64 | 65–69 | 70+ |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Rates | \$0.05 | \$0.06 | \$0.08 | \$0.09 | \$0.10 | \$0.15 | \$0.23 | \$0.43 | \$0.66 | \$1.27 | \$2.06 |

*If dependent spouse life check to see if the rate is based on the employee age or spouse’s age.



Short-term Disability Insurance

Follow the considerations below for accurate short-term disability premium calculations:

- Employer paid short-term disability rates are generally a flat rate based on \$10 of weekly benefit and are billed monthly.
- Voluntary short-term disability rates are typically based on five-year age bands of the employee’s age per \$10 of weekly benefit and are billed on a monthly basis.
- Minimum and maximum benefit limits may vary by class.
- Carefully review maximum benefit amounts on your short-term disability plan. If the insured has exceeded the maximum benefit level, the benefit must be capped at the maximum allowable benefit amount before calculating the premium.
- If the insured has not reached the minimum benefit level, the premium must be calculated on the minimum allowable benefit amount.
- While remitted to carrier on a monthly basis, groups who offer voluntary short-term disability may request benefit summaries which reflect calculations that are illustrated according to company’s payroll cycle. Options could be monthly, biweekly (24 or 26 pays) or weekly.

How to Calculate Employer Paid Short-term Disability Premium

All values are shown for illustrative purposes. The following example is based on an employee making \$40,000 per year with a short-term disability plan design of 60% of basic weekly wage to a maximum benefit of \$750 per week.

| Steps | Example |
|---|--------------------------------|
| Step 1 Divide your annual salary by 52 to calculate your “weekly salary” | $\$40,000 \div 52 = \769 |
| Step 2 Multiply “weekly salary” by your plan’s benefit % to calculate your “weekly benefit” | $60\% \times \$769 = \461 |
| Step 3 Does the “weekly benefit” exceed the maximum benefit of \$750? If no, enter calculated “weekly benefit” of \$461 If yes, use the maximum benefit | \$461 |
| Step 4 Multiply rate (\$0.40) by “weekly benefit” (\$461) | $\$0.40 \times 461 = \184.40 |
| Step 5 Divide by 10 = monthly cost | $\$184.40 \div 10 = \18.44 |

Short-term Disability Insurance — Core/Buy-up

Follow the considerations below for accurate short-term disability premium calculations:

- Core/buy-up short-term disability rates are generally a flat rate based on \$10 of weekly benefit and are billed on a monthly basis.
- Minimum and maximum benefit limits may vary by class.
- Be careful to watch for maximum benefit amounts on short-term disability. If the insured has exceeded the maximum benefit level, the benefit must be capped at the maximum allowable benefit amount before calculating the premium.
- If the insured has not reached the minimum benefit level, the premium must be calculated on the minimum allowable benefit amount.

How to Calculate Employer Paid Short-term Disability Premium

All values are shown for illustrative purposes.

- Employee annual earnings: \$52,000
- Base plan: 50% of predisability earnings, to a maximum of \$400 per week
- Buy-up plan: 66.67% of predisability earnings, to a maximum of \$1,000 per week
- Weekly predisability earnings: \$1,000 per week (annual earnings divided by 52)
- Employee age: 43
- Buy-up plan must be elected in conjunction with core plan

How to Calculate Core Premium Paid for by Employer

| Steps | Example |
|---|-------------------------------|
| Step 1 Divide your annual salary by 52 to calculate your “weekly salary” | $\$52,000 \div 52 = \$1,000$ |
| Step 2 Multiply “weekly salary” by your plan's benefit % to calculate your “weekly benefit” | $50\% \times \$1,000 = \500 |
| Step 3 Does the “weekly benefit” exceed the maximum benefit of \$400? If no, enter calculated “weekly benefit” of \$500 If yes, use the maximum benefit | \$400 |
| Step 4 Multiply rate (\$0.40) by “weekly benefit” (\$400) | $\$0.40 \times 400 = \160 |
| Step 5 Divide by 10 = monthly cost | $\$160 \div 10 = \16 |

How to Calculate Buy-up Premium Paid for by Employee via Payroll Deduction

| Steps | Example | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------------------------------|---------------|----------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-----|--------|--|
| Step 1 Divide your annual salary by 52 to calculate your "weekly salary" | $\$52,000 \div 52 = \$1,000$ | | | | | | | | | | | | | | | | | | | | | | |
| Step 2 Multiply "weekly salary" by your plan's benefit % to calculate your "weekly benefit" | $66.67\% \times \$1,000 = \666.67 | | | | | | | | | | | | | | | | | | | | | | |
| Step 3 Determine the additional coverage eligible under the buy-up plan <i>Since the employee already has \$400 in core short-term disability, the buy-up volume of \$666.67 is subtracted from the core and the employee's premium is calculated from that value.</i> | $\$666.67 - \$400.00 = \$266.67$ | | | | | | | | | | | | | | | | | | | | | | |
| Step 4 Locate the applicable rate from rate table based on employee's age and multiply rate (\$0.66) by "weekly benefit" (\$266.67) | $\$0.66 \times \$266.67 = \$176$ | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Employee Age</th> <th>Rate per \$10</th> </tr> </thead> <tbody> <tr><td>Under 30</td><td>\$0.88</td></tr> <tr><td>30-34</td><td>\$0.81</td></tr> <tr><td>35-39</td><td>\$0.74</td></tr> <tr><td>40-44</td><td>\$0.66</td></tr> <tr><td>45-49</td><td>\$0.68</td></tr> <tr><td>50-54</td><td>\$0.81</td></tr> <tr><td>55-59</td><td>\$1.04</td></tr> <tr><td>60-64</td><td>\$1.28</td></tr> <tr><td>65-69</td><td>\$1.31</td></tr> <tr><td>70+</td><td>\$1.48</td></tr> </tbody> </table> | Employee Age | Rate per \$10 | Under 30 | \$0.88 | 30-34 | \$0.81 | 35-39 | \$0.74 | 40-44 | \$0.66 | 45-49 | \$0.68 | 50-54 | \$0.81 | 55-59 | \$1.04 | 60-64 | \$1.28 | 65-69 | \$1.31 | 70+ | \$1.48 | |
| Employee Age | Rate per \$10 | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 | \$0.88 | | | | | | | | | | | | | | | | | | | | | | |
| 30-34 | \$0.81 | | | | | | | | | | | | | | | | | | | | | | |
| 35-39 | \$0.74 | | | | | | | | | | | | | | | | | | | | | | |
| 40-44 | \$0.66 | | | | | | | | | | | | | | | | | | | | | | |
| 45-49 | \$0.68 | | | | | | | | | | | | | | | | | | | | | | |
| 50-54 | \$0.81 | | | | | | | | | | | | | | | | | | | | | | |
| 55-59 | \$1.04 | | | | | | | | | | | | | | | | | | | | | | |
| 60-64 | \$1.28 | | | | | | | | | | | | | | | | | | | | | | |
| 65-69 | \$1.31 | | | | | | | | | | | | | | | | | | | | | | |
| 70+ | \$1.48 | | | | | | | | | | | | | | | | | | | | | | |
| Step 5 Divide by 10 = monthly cost | $\$176 \div 10 = \17.60 | | | | | | | | | | | | | | | | | | | | | | |

- Core = \$16 (paid for by employer)
- Buy-up = \$17.60 (paid for by employee)
- Total monthly cost = \$33.60





Long-term Disability Insurance

Follow the considerations below for accurate long-term disability premium calculations.

- Employer paid long-term disability rates are generally a flat rate based on \$100 of monthly covered payroll and not the monthly benefit amount. Long-term disability premiums are billed on a monthly basis.
- Voluntary long-term disability rates are typically based on five-year age bands of the employee's age per \$100 of monthly covered payroll and are billed on a monthly basis.
- Minimum and maximum benefit limits may vary by class.
- If the insured has not reached the minimum benefit level, the premium must be calculated on the minimum allowable benefit amount.
- A common calculation error: Be sure to watch for maximum covered salary amounts on long-term disability. If the insured has exceeded the maximum covered salary level, the benefit must be capped at the maximum covered salary before continuing with the calculation. The following example is based on an employee making \$40,000 with a long-term disability plan design of 60% to a maximum of \$6,500 per month.

| Steps | Example |
|--|--|
| Step 1 Annual salary \div 12 = monthly covered salary Maximum benefit \div benefit % = maximum covered salary | \$40,000 \div 12 = \$3,333 Plan maximum covered salary \$6,500 \div 0.60 = \$10,833 |
| Step 2 Does the monthly covered salary (from Step 1) exceed the maximum covered payroll \$10,833? If no, enter the monthly covered payroll (Step 1) If yes, use the maximum covered payroll (\$10,833) | \$3,333 |
| Step 3 Locate rate; If voluntary, find employee's age on the age banded rate chart | \$0.21 per \$100 |
| Step 4 Multiply rate (Step 4) by covered payroll (Step 3) | \$0.21 \times \$3,333 = \$699.93 |
| Step 5 Divide by 100 = monthly cost | \$699.93 \div 100 = \$6.99 |

For voluntary long-term disability, groups often like to see the calculation to reflect their payroll cycle since this is a payroll deducted benefit. Some additional optional calculations are the following:

| Biweekly (26 Pays) | Example |
|--|---|
| Multiply monthly cost by 12 = annual cost Divide by pay frequency = cost per pay period | \$6.99 monthly \times 12 months = \$83.99 annually Annual \div 26 pay periods = \$3.23 biweekly (26) |
| Biweekly (24 Pays) | Example |
| Multiply monthly cost by 12 = annual cost Divide by pay frequency = cost per pay period | \$6.99 monthly \times 12 months = \$83.99 annually Annual \div 24 pay periods = \$3.50 biweekly (24) |
| Weekly (52 Pays) | Example |
| Multiply monthly cost by 12 = annual cost Divide by pay frequency = cost per pay period | \$6.99 monthly \times 12 months = \$83.99 annually Annual \div 52 pay periods = \$1.62 weekly (52) |

Long-term Disability Insurance— Core/Buy-up

Follow the considerations below for accurate long-term disability premium calculations:

- Core/buy-up long-term disability rates are generally a flat rate based on \$100 of monthly covered payroll and not the monthly benefit amount. Long-term disability is billed on a monthly basis.
- Minimum and maximum benefit limits may vary by class.
- If the insured has not reached the minimum benefit level, the premium must be calculated on the minimum allowable benefit amount.
- A common calculation error: Be sure to watch for maximum covered salary amounts on long-term disability. If the insured has exceeded the maximum covered salary level, the benefit must be capped at the maximum covered salary before continuing with the calculation.

How to Calculate Core/Buy-up Premium

All values are shown for illustrative purposes.

- Employee annual earnings: \$63,000
- Core long-term disability plan: 50% of predisability earnings up to maximum of \$2,500 per month
- Buy-up long-term disability plan: 60% of predisability earnings up to a maximum of \$5,000 per month
- Buy-up plan must be elected in conjunction with core plan

How to Calculate the Core Premium Paid for by the Employer

| Steps | Example |
|---|--|
| Step 1 Divide your annual salary by 12 to calculate your "monthly salary" | $\$63,000 \div 12 = \$5,250$ |
| Step 2 Divide the maximum benefit amount by the benefit % to determine the "maximum covered salary" | $\$2,500 \div 50\% = \$5,000$ |
| Step 3 Does the "monthly salary" (Step 1) exceed the "maximum covered salary" of \$5,000? If no, enter "monthly salary" of \$5,250 If yes, use the "maximum covered salary" | \$5,000 (capped, exceeds "maximum covered salary") |
| Step 4 Multiply rate (\$0.147) by "monthly covered salary" (\$5,000) | $\$0.147 \times \$5,000 = \$735$ |
| Step 5 Divide by 100 = monthly cost | $\$735 \div 100 = \7.35 core |

How to Calculate the Buy-up Premium Paid by the Employee

| Steps | Example |
|---|--|
| Step 1 Divide your annual salary by 12 to calculate your "monthly salary" | $\$63,000 \div 12 = \$5,250$ |
| Step 2 Divide the maximum benefit amount by the benefit % to determine the "maximum covered salary" | $\$5,000 \div 60\% = \$8,333$ |
| Step 3 Does the "monthly salary" (Step 1) exceed the "maximum covered salary" of \$8,333? If no, enter "monthly salary" of \$5,250 If yes, use the "maximum covered salary" | \$5,250 (does not exceed maximum covered salary) |
| Step 4 Multiply rate (\$0.385) by "monthly covered salary" (\$5,250) | $\$0.385 \times \$5,250 = \$2,021$ |
| Step 5 Divide by 100 = monthly cost | $\$2,021 \div 100 = \20.21 buy-up |

Total Monthly Long-term Disability Premium

- Core = \$7.35 paid for by the employer
- Buy-up = \$20.21 paid for by the employee
- Total = \$27.56

MedMutual Extend—Small Group 1–50

The following guidelines are specific to the small group MedMutual Extend plans:

- There are six MedMutual Extend plan options:
 - Premium
 - Preferred
 - Select
 - Accident/Critical Illness
 - Accident
 - Critical Illness
- Each class of business may have one benefit plan design, however:
 - Groups with more than two eligible employees may offer more than one plan, but are required to enroll and maintain a minimum of two total participating employees.
 - Employees may not be enrolled in more than one MedMutual Extend™ Premium, MedMutual Extend™ Preferred or MedMutual Extend™ Select plan at the same time.
 - Employees may elect to be enrolled in the combined offering of MedMutual Extend™ Critical Illness and MedMutual Extend™ Accident plan.
- These plans are only offered as 100% employee paid.
- Every eligible employee must be between the ages of 18–74. Coverage cancels at age 75.
- Every eligible spouse must be between the ages of 18–74. Coverage cancels at age 75.
- Dependent child(ren) are covered until the end of the month of their 26th birthday.
- All six options of MedMutual Extend plans are calculated on a “per employee” basis. Rates are based on tiers of Employee Only, Employee + Spouse, Employee + Child(ren) and Family coverage. Your monthly bill will reflect a count of the total number of employees that fall into each of these tiers: Employee Only, Employee + Spouse, Employee + Child(ren) and Family.

Employee-paid Monthly Premium

| | Premium | Preferred | Select | Acc./Crit. Ill. | Crit. Ill. | Acc. |
|----------------------------|----------|-----------|---------|-----------------|------------|---------|
| Employee | \$59.77 | \$37.39 | \$25.67 | \$19.12 | \$11.57 | \$7.54 |
| Employee + Spouse | \$134.78 | \$83.77 | \$55.76 | \$40.55 | \$25.41 | \$15.14 |
| Employee + Children | \$101.11 | \$61.78 | \$37.08 | \$34.34 | \$11.82 | \$22.53 |
| Family | \$172.09 | \$106.77 | \$68.94 | \$60.69 | \$25.73 | \$34.96 |

Critical Illness Insurance — Large Group 51+

Ensure accurate critical illness premium calculations by following the considerations below:

- Critical illness rates are generally based on the amount of coverage selected, five-year age bands of the employee's age, tobacco/non-tobacco status (if applicable) and billed monthly.
- Benefit choice of \$10,000/\$20,000/\$30,000
 - Employee elects one of those for his/her coverage.
 - Spouse—50% of employee coverage (\$5,000, \$10,000 or \$15,000).
 - Child—50% of employee coverage (\$5,000, \$10,000 or \$15,000).
 - Critical illness rates are based upon five-year age bands of the attained age of the employee. An employee could move from one band to the next as they get older, affecting their current deduction and billed amount. Age increases will take effect based on the insured's birthday. Please ensure your system can age employees correctly to allow them to be captured in the correct age band.
 - Issue-aged rates are not available.
 - A list billed customer's monthly invoice will be automatically adjusted for whatever option is selected (wash or prorate). You should reconcile your monthly list bill against the actual payroll deduction being taken to ensure they match.
 - A self-administered customer will need to adjust their calculations for their monthly premium statement as well as the actual payroll deduction being taken.
- Every eligible employee must be between the ages of 18–79. Coverage cancels at age 80.
- Every eligible spouse must be between the ages of 18–79. Coverage cancels at age 80.
- Dependent child(ren) are covered until the end of the month of their 26th birthday.
- If electing coverage for spouse, the rates are still based upon the employee's age.
- Dependent child(ren) are covered at no additional cost.
- The tobacco/non-tobacco status is based upon any member covered. A tobacco user is defined as the legal use (other than religious or ceremonial) of any tobacco product on average four or more times per week within no longer than the last six months. If either the employee or spouse meet this definition, they are classified as a tobacco user and should be charged the tobacco user rate for all members included under the insured's election.
- While remitted to carrier on a monthly basis, groups may request benefit summaries reflect calculations that are illustrated according to company's payroll cycle. Options could be monthly, biweekly (24 or 26 pays) or weekly.

Critical Illness Employee Only; Monthly Rates Per \$1,000

| Age | <25 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60-64 | 65-69 | 70-74 | 75+ |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Rates | 0.240 | 0.320 | 0.420 | 0.580 | 0.880 | 1.320 | 1.970 | 2.750 | 3.960 | 5.550 | 7.630 | 10.080 |

Critical Illness Employee + Spouse; Monthly Rates Per \$1,000

| Age | <25 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60-64 | 65-69 | 70-74 | 75+ |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| Rates | 0.440 | 0.560 | 0.700 | 0.960 | 1.410 | 2.070 | 3.060 | 4.270 | 6.130 | 8.590 | 11.790 | 15.470 |

Employee Only

| Level | <25 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60-64 | 65-69 | 70-74 | 75-79 |
|----------|--------|--------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|
| \$10,000 | \$2.40 | \$3.20 | \$4.20 | \$5.80 | \$8.80 | \$13.20 | \$19.70 | \$27.50 | \$39.60 | \$55.50 | \$76.30 | \$100.80 |
| \$20,000 | \$4.80 | \$6.40 | \$8.40 | \$11.60 | \$17.60 | \$26.40 | \$39.40 | \$55.00 | \$79.20 | \$111.00 | \$152.60 | \$201.60 |
| \$30,000 | \$7.20 | \$9.60 | \$12.60 | \$17.40 | \$26.40 | \$39.60 | \$59.10 | \$82.50 | \$118.80 | \$166.50 | \$228.90 | \$302.40 |

Employee + Spouse

| Level | <25 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 | 50-54 | 55-59 | 60-64 | 65-69 | 70-74 | 75-79 |
|----------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|
| \$10,000 | \$4.40 | \$5.60 | \$7.00 | \$9.60 | \$14.10 | \$20.70 | \$30.60 | \$42.70 | \$61.30 | \$85.90 | \$117.90 | \$154.70 |
| \$20,000 | \$8.80 | \$11.20 | \$14.00 | \$19.20 | \$28.20 | \$41.40 | \$61.20 | \$85.40 | \$122.60 | \$171.80 | \$235.80 | \$309.40 |
| \$30,000 | \$13.20 | \$16.80 | \$21.00 | \$28.80 | \$42.30 | \$62.10 | \$91.80 | \$128.10 | \$183.90 | \$257.70 | \$353.70 | \$464.10 |

These rates are for illustrative purposes only.

Group Accident Insurance— Large Group 51+

Consider the following when completing your group accident premium calculations:

- Group accident insurance rates are calculated on a monthly basis. Rates are based on tiers of Employee Only, Employee + Spouse, Employee + Child(ren) and Family coverage.
- Every eligible employee must be between the ages of 18–79. Coverage cancels at age 80.
- Every eligible spouse must be between the ages of 18–79. Coverage cancels at age 80.
- Dependent child(ren) are covered until the end of the month of their 26th birthday.
- Your monthly bill will reflect a count of the total number of employees that fall into each of these tiers: Employee Only, Employee + Spouse, Employee + Child(ren) and Family.
- While remitted to carrier on a monthly basis, groups may request benefit summaries reflect calculations that are illustrated according to company’s payroll cycle. Options could be monthly, biweekly (24 or 26 pays) or weekly.

| | Coverage Rate |
|----------------------------|---------------|
| Employee | \$ 9.70 |
| Employee + Spouse | \$14.64 |
| Employee + Children | \$16.31 |
| Family | \$25.29 |

These rates are for illustrative purposes only.

Important Details

This billing guide may be useful as you design and calculate life, disability, critical illness and accident-only insurance offerings under your group benefit package with MedMutual Life. All rates shown are for illustrative purposes only. It is not intended as legal or tax advice. A group policy will be issued to the employer, and a certificate book will be available for each member, to explain each type of coverage in detail. Like most coverages, certain limitations and exclusions apply. This billing guide is not a contract of insurance. Refer to the group policy and certificate book for additional information. Terms of coverage must be in accordance with MedMutual Life's administrative policies and standards.



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