

October 2021

Re: SBAM's Group Life and Disability Programs

Dear SBAM Agent:

The Small Business Association of Michigan (SBAM) Group Life, Short and Long Term Disability programs, underwritten by Dearborn Life Insurance company (Dearborn Group), will renew on January 1, 2022. At this renewal, we are making adjustments to the program that will impact both your enrolled customers and you, the writing agent.

Effective January 1, 2022, the adjustments are as follows:

- Group Life, Short and Long Term Disability rates will increase a modest 6.0%. This is the first increase in nearly ten years. These rates will then be guaranteed through December 31, 2025 – a four-year rate guarantee.
- Long Term Disability claims for what are described as self-reported illnesses (chronic fatigue, for example) will have a two-year maximum duration.
- Commissions will be reduced from a flat 15% to a flat 12% of premium for all products. However, we are developing an agent incentive campaign for these programs that will complement the current programs available. Stay tuned for more information to come on this exciting new opportunity.
- Only for business written January 1, 2022, and forward:
 - Our voluntary group life maximum guarantee issue amount will be reduced from \$300,000 to \$100,000.
 - The group life Maximum Benefit amount of one-time Basic Annual Earnings will be reduced from \$100,000 to \$75,000.

This rate increase and the changes being made are an effort to keep SBAM's group life and disability programs viable in the long term. We hope that you would agree that these adjustments, the only ones made in what will amount to nearly fourteen years, are minor in scope.

Thank you for the confidence you have shown in writing your small group health, life, and disability programs with one of our sponsored carriers. Separately, TGG Solutions will provide you with a list of your customers enrolled in SBAM's Dearborn group plans. Should you have any questions, please feel free to reach out to TGG Solutions as the General Agent at 1. 800.748.0368 or directly to the Small Business Insurance Services team here at SBAM at 1.800.362.5461. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Lyon". The signature is fluid and cursive, with the first name "Scott" and last name "Lyon" clearly distinguishable.

Scott Lyon
Senior Vice President