

Group Life and Disability PARTICIPATION AGREEMENT

EFFECTIVE DATE REQUESTED: ____/____/____

COMPANY and CONTACT INFORMATION

Participating Employer's Legal Name:		
Contact Person:		Title:
Address:		
City:	State:	Zip:
Phone:	Fax:	E-Mail:
Nature of Business:	Federal ID Number: <small>(9-digit number)</small>	
Number of Years in Business:		

WAITING PERIOD

A **Waiting Period** is a period of time that an employee must work on a full-time basis in an eligible class before becoming eligible for coverage. **Present Employees** means employees who are at work on a full time basis as of the effective date of the policy.

Waiting Period for Present Employees: First of the month following day(s)

Waiting Period for Future Employees: First of the month following day(s)

PARTICIPATION REQUIREMENTS

No insurance shall become effective on any person unless such person is classified as a **regular full-time or part-time employee working a minimum of 20 hours per week**, actively at work as of the approval date of the application and regularly performing the duties of his/her occupation.

Number of Hours Worked to be Considered an Eligible Employee:

For non -contributory coverage, 100% of all eligible employees are required to enroll in benefits offered.

Total number of eligible employees: Total number of eligible employees to be covered:

Dearborn Life Insurance Company's group insurance products are offered as Specialty Benefits in cooperation with Blue Cross Blue Shield of Michigan. Specialty Benefits group insurance products are issued by Dearborn Life Insurance Company, 701 E. 22nd St. Suite 300, Lombard, IL 60148.

Dearborn Life is a separate company and does not provide Blue Cross Blue Shield of Michigan products and is financially responsible for the products it issues.

Dearborn Life Insurance Company is an independent licensee of the Blue Cross and Blue Shield Association. Blue Cross Blue Shield of Michigan and Blue Care Network are nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association.

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BENEFIT OPTIONS

<p>Term Life and AD&D (Non-Contributory)</p>	<p><input type="checkbox"/> Option 1: \$15,000 <input type="checkbox"/> Option 2: \$25,000 <input type="checkbox"/> Option 3: \$50,000</p> <p><input type="checkbox"/> Option 4: Percent of Salary Multiple of Annual Earnings (1 x basic annual salary) Subject to a minimum of \$1,000 and maximum of \$75,000</p>
<p>Dependent Life Only</p>	<p><input type="checkbox"/> Option 1: Spouse \$5,000 Child(ren) \$2,000 Child(ren) benefit is limited to \$500 when age is birth to 6 months</p> <p>Dependent Life can only be purchased in conjunction with basic term life/AD&D.</p>

<p>Short Term Disability (Non-Contributory)</p> <p>Benefit Percentage: 66.67% Weekly Benefit Maximum: \$1,000 Pre-existing Condition Limitation: 3/12</p>	<p>Elimination Period Options:</p> <p><input type="checkbox"/> Option 1: 1st Day Accident and 8th Day Illness</p> <p><input type="checkbox"/> Option 2: 15th Day Accident and 15th Day Illness</p>	<p>Benefit Duration Options:</p> <p><input type="checkbox"/> Option 1: 13 weeks</p> <p><input type="checkbox"/> Option 2: 26 weeks</p>
<p>Long Term Disability (Non-Contributory)</p> <p>Benefit Percentage: 60% Monthly Benefit Maximum: \$6,000 Own Occupation Period: 2 Years Pre-existing Condition Limitation: 12/6/24</p>	<p>Elimination Period Options:</p> <p><input type="checkbox"/> Option 1: 90 days</p> <p><input type="checkbox"/> Option 2: 180 days</p>	<p>Benefits Duration Options:</p> <p><input type="checkbox"/> Option 1: 5 years or to age 70; whichever occurs first.</p> <p><input type="checkbox"/> Option 2: Social Security Normal Retirement Age (SSNRA)</p>

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<p>Voluntary Life and AD&D</p> <p><input type="checkbox"/> Employee Benefit</p> <p>Minimum Benefit: \$10,000 Maximum Benefit: \$500,000; not to exceed 5x salary</p> <p><i>Guarantee Issue is \$100,000 under age 70. Ages 70-74 Guarantee Issue is \$20,000; Employees over 75 all amounts require Evidence of Insurability.</i></p>	<p><input type="checkbox"/> Spousal Benefit*</p> <p>Minimum Benefit: \$5,000 Maximum Benefit: \$20,000</p> <p><i>Guarantee Issue of \$20,000</i></p>	<p><input type="checkbox"/> Dependent Life Only Child(ren) Benefit</p> <p>\$10,000 after 6 months of age</p> <p><i>Guarantee Issue of \$10,000</i></p> <p>Child(ren) benefit is limited to \$250 from 14 days to 6 months of age.</p>
<p>* Spousal voluntary life and AD&D can only be offered if employee elects voluntary life and AD&D benefits; not to exceed 50% of employee elected amount.</p> <ul style="list-style-type: none"> - Voluntary Life/AD&D can only be purchased in conjunctions with the group Basic Term Life/AD&D. - Voluntary Life/AD&D must be written with a policy effective date of not more than 60 days after the effective date of the group Basic Term Life/AD&D. - Any Voluntary Life/AD&D plan with an effective date of more than 60 days after the group Basic Term Life/AD&D plan effective date will require evidence of insurability. - 25% employee participation is required for group voluntary life. - Spousal Premium will be calculated based on employee's date of birth. - If Voluntary Life/AD&D is cancelled, the group must wait 12 months to re-enroll. 		
<p>If medical underwriting is required, an individual's coverage will not take effect until the date the application is approved by Dearborn Life Insurance Company (Dearborn). The effective date will be delayed for an employee who is not actively at work on the date coverage is effective.</p>		

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Taxation of STD and LTD Benefits

By signing this Case Transmittal, you agree to the following with respect to federal tax withholding and reporting with respect to Short-Term (“STD”) and Long-Term Disability (“LTD”) Benefits paid by Dearborn

Standard Tax Services

1. Dearborn will withhold and deposit elected United States federal income tax (FIT) as well as applicable **Employee** FICA taxes from disability sick pay. Dearborn will make timely filings with the appropriate federal agency.
2. Taxes withheld are deposited under the Dearborn Employer Identification Number (“EIN”). Dearborn will timely notify the Participating Employer of these payments via a Weekly Benefits Paid Report.
3. The Participating Employer’s and Dearborn’s responsibilities with respect to **Employer FICA Match** liability differ between STD and LTD and are disclosed below.
4. Dearborn assumes *no* responsibility for Employer’s portion of Federal Unemployment Tax (“FUTA”) or any other payroll or employment related tax, fee, premium or the like, including State disability insurance, State or local occupational tax or any Workers’ Compensation tax which may be applicable to sick pay.
5. Dearborn will prepare and deliver to Participating Employer the Quarterly and Annual Disability Benefits Paid Reports.

SHORT-TERM DISABILITY W-2 Services – Dearborn Prepares

1. Participating Employer designates Dearborn as its agent for the sole purpose of providing Form W-2 to payees with STD benefit payments postmarked no later than January 31 of each year, or such other date as required by the Internal Revenue Service, and for making information return filings in accordance with Federal and State requirements regarding income tax, Social Security and Medicare tax.
2. Forms W-2 are prepared using Dearborn’s EIN.
3. If the Participation Agreement is terminated, Dearborn will continue to provide Forms W-2 to STD payees and make information return filings for STD benefits on all claims incurred prior to termination of the Agreement.

FICA Match Service – Employer Retains

1. Participating Employer retains the responsibility to report and deposit its share of any FICA tax withheld from STD paid, if applicable.
2. Dearborn will provide the Participating Employer with Weekly Paid Claim Reports to provide timely notification of Employee amounts withheld.

LONG-TERM DISABILITY W-2 Services – Dearborn Prepares

1. Participating Employer designates Dearborn as its agent for the sole purpose of providing Form W-2 to payees with LTD benefit payments postmarked no later than January 31 of each year, or such other date as required by the Internal Revenue Service, and for making information return filings in accordance with Federal and State requirements regarding income tax, Social Security and Medicare tax.
2. Forms W-2 are prepared using Dearborn’s EIN.
3. If the Participation Agreement is terminated, Dearborn will continue to provide Forms W-2 to LTD payees and make information return filings for LTD benefits on all claims incurred prior to termination of the Agreement.

FICA Match Service - Dearborn Pays

1. Dearborn will pay the Participating Employer’s share of Social Security and Medicare taxes and deposit the taxes using Dearborn’s EIN. Employer will not be required to reimburse Dearborn for these amounts.
2. Dearborn will provide the Participating Employer with Weekly Paid Claim Reports to provide notification of Employee amounts withheld and Employer amounts paid.

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ERISA

Applicant is subject to ERISA?* Yes ___ No ___ ****If you are not certain whether your plan is governed by ERISA, please visit <http://www.dol.gov/dol/topic/health-plans/erisa.htm>***

If this plan is an "employee welfare plan," as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), it is subject to certain requirements including those relating to reporting and disclosure and fiduciary responsibility. The plan must be established and maintained pursuant to a written instrument that designates a plan administrator, as defined in Section 3(16)(A) of ERISA, who has authority to control and manage the operation and administration of the plan.

You, as the plan Administrator or authorized representative, have selected Dearborn as the claims administrator of your plan, and you consent to the delegation of such authority to Dearborn. You acknowledge that, in some instances, Dearborn may delegate some or all of this authority to a third party administrator serving as the claims administrator and you consent to the delegation of such authority to a third party administrator.

Dearborn cannot be named as the plan administrator and is not responsible for the compliance of your plan with respect to any legal or tax matters, and it cannot offer any legal or tax advice. You are responsible for compliance with all applicable laws, including benefits, employment, and tax laws, relating to the sponsorship and administration of your plan. Dearborn's obligations to you are governed solely by the terms of the applicable policy provisions, except as otherwise required by law.

ERISA requires the distribution of Summary Plan Descriptions (SPD) for the majority of employee benefit plans. If as plan administrator of your employee benefit plan, you would like Dearborn to provide you with the required documents to create your plan's SPD, including certain additional documents such as a Statement of ERISA Rights and Claims Procedure, **please indicate "Yes" and provide the following information (**Required Fields):**

Yes ___ No ___ If Yes, provide the following:

Plan Year Ends Annually On (Month/Day)** _____

Plan Number assigned to each line of coverage: (will be 3 digits starting with "5")**

Life/AD&D _____ STD _____ LTD _____ Vol Life _____

Plan Administrator** ___ Same as Participating Employer ___ Other, complete below

Name/Title _____ Phone _____

Address (not a P.O. Box) _____

Agent for Service of Process if different from plan administrator**

Name/Title _____ Phone _____

Address (not a P.O. Box) _____

Plan Trustees (if applicable)

Name/Title _____ Phone _____

Address (not a P.O. Box) _____

Union Contracts/Collective Bargaining Agreements (if applicable) _____

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The Participating Employer or authorized representative (Participating Employer) applies for a group insurance policy(s) through Dearborn. The Participating Employer represents and certifies that:

1. They are a member in good standing of the Small Business Association of Michigan.
2. The Participating Employer understands and agrees that any employee applying for or eligible to apply for coverage(s) under this Participation Agreement are not eligible for any coverage(s) where the same coverage already exists and inforce coverage under any other SBAM plans underwritten by Dearborn.
3. The Participating Employer will not collect premium from an insured who requires medical underwriting until Dearborn approves the insured's application for coverage; and
4. Dearborn will issue a policy/certificate only if Dearborn determines that the group is an acceptable risk based on Dearborn's underwriting practices and procedures; otherwise Dearborn has no liability except to refund premium. The Participating Employer must return to individual insureds any part of the premium paid by those insureds; and
5. The Participating Employer and insureds are subject to all the policy terms and provisions and trust agreements, if applicable. They may be amended from time to time; and
6. If the Participating Employer does not pay premiums by the premium due date the Participating Employer's coverage(s) will terminate at the end of the policy's grace period; and
7. The Participating Employer will: a) provide applications of individual insureds prior to the eligibility date; b) give certificates to all insureds; c) report changes in the insured group; and d) keep records of insured eligibility.
8. The information given and statements made on this application are complete and correct. Misstatements or omissions of information may affect the validity of any insurance policy issued and cause the denial of an otherwise valid claim.
9. Statements made by the Participating Employer are representations and not warranties. No statement made by any insured will be used in any contest unless a copy of the instrument containing the statement is or has been given to the insured or, in case of death or incapacity of the insured, to his beneficiary or personal representative.

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SIGNATURES

Participating Employer Executive Signature:

Participating Employer Executive Title:

Date: / /

PRODUCING AGENT DECLARATION

Name as Licensed:

Agent SSN: _____

Mailing Address:

Phone Number:

Fax Number:

Agent Signature:

Date: / /

Please submit your completed forms and binder check to:

Made payable to Small Business Insurance Services, LLC
101 S. Washington Square, Suite 900
Lansing, MI 48933

Questions? Contact us at (877) 949-7226 or HarmonyBill@sbam.org

Harmony encompasses the human resource, compliance and insurance solutions under Small Business Insurance Services, LLC. Small Business Insurance Services, LLC is a subsidiary of Small Business Association of Michigan. Visit sbam.org/harmony for more information.