

City of Broken Arrow

Policy Number: 519047 Pricing Summary - LTD

Broker(s):
Premier Consulting Partners

Thank you for your continued partnership with Unum. Your business is important to us and supporting you is our top priority.

As we begin the new coverage year together, we will continue to provide critical financial protection benefits to your valued employees and the best solutions to meet your company's evolving needs. We know that value and price are important to you. We are committed to carefully managing your premiums, to ensure we can pay your employees' claims with prompt, convenient service when they need it most.

Renewal Rates

For 2017 we are adjusting your premiums to better align with current costs and risks.

Unum Benefits	Current Rate	Renewal Rate	Current Inforce Monthly Premium	Increase in Monthly Premium *	Renewal Effective Date	Rate Guarantee Date
Long Term Disability Insurance	0.500	0.550	\$8,066	\$807	9/1/17	9/1/18

* Based on current enrollment

When assessing renewals for groups of your size, we look at employers similar in industry, demographics, and plan design. Doing so helps us predict claims activity and price plans fairly.

These renewal rates also reflect recent industry-wide challenges. Over the past few years, several nationwide trends have made it harder to achieve the right balance between pricing and the cost of doing business without raising prices. First, historically low interest rates have limited our investment income, which we rely on to help pay claims. Meanwhile, claims have increased because the workforce is aging and certain health-related conditions are becoming more common.

If you have any questions about your renewal rates or if you would like to learn more about other Unum benefits, please contact your broker or Unum representative, Drew Martin, at 972-892-1402 or by email at apmartin@unum.com.

Case Rate Calculation

The following is your case rate calculation, which melds claim and demographic data to produce a case rate used to guide the pricing process for your policy.

Unum Benefits	LTD
Time Period	1/1/14 to 1/1/17
Incurred Claims	\$73,084
Constant Premium	\$284,695
Incurred Loss Ratio	25.7%
Expected Loss Ratio	62.4%
Inforce Rate	0.500
Experience Rate	0.205
Manual Rate	0.810
Case Rate	0.716
Credibility	15.5%
Paid Claims Open	1
Paid Claims Closed	1

Customer Demographics

Below is a history of your insured employee demographics:

Long Term Disability Insurance:

Statistic	Current Renewal
Average Age	n/a
Percent Insured Lives Age 50+	n/a
Average Salary	n/a
Covered Lives	423

Prior Group Renewal Information

Product	Last Renewal Date	Renewal Action
Long Term Disability Insurance	9/1/16	No Change

Plan Information

Long Term Disability Insurance:

Provision	Department Heads	All Other Eligible Employees
Benefit Percent	60.00%	60.00%
Benefit Maximum	\$6,000	\$4,000
Elimination Period	90 Days	90 Days
Integration	Family	Family
Benefit Duration	ADEA I	ADEA I
Definition of Disability	2 Year Residual	2 Year Residual
Contributory Status	Employer Funded	Employer Funded
Pre-Existing Condition	3/12 Exclusion	3/12 Exclusion
Mental/Nervous Limit	12 months	24 months

Group Insurance is underwritten by:

Unum Life Insurance Company of America, Portland, Maine

In New York, underwritten by: First Unum Life Insurance Company, New York, New York

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