

# Employer Guide

for Group Life, Accidental Death and Dismemberment (AD&D)  
Supplemental Life and AD&D, Short-Term Disability  
and Long-Term Disability

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## Welcome

Thank you for choosing Saegis Benefits as your provider for group benefits packages.

As an employer, you know how important it is to offer a benefits program that will help attract and retain the most talented employees. This employer guide will help you understand and administer your employee benefits program. It contains important information about enrollment, administration and billing.\*

We pride ourselves on our quality service. As a client of Saegis Benefits, you will receive:

- + Combined product billing for both Blue Cross and Blue Shield of North Carolina (BCBSNC) and USABLE<sup>®</sup> Life insurance
- + Electronic enrollment of BCBSNC and USABLE Life billed products
- + Benefit Counselors when you offer worksite enrollment in voluntary products (100% employee-paid benefits offered at a discounted group rate)
- + Supportive technology

If you need customer assistance or have any questions, please contact us at **1-888-723-4476**.

Thank you for placing your trust in us. We look forward to working with you.

Sincerely,

Saegis Benefits

1-888-723-4476 (tel)

919-765-7133 (fax)

**saegisbenefits.com**

\*This employer guide includes information and forms on benefits for Life, AD&D, Supplemental Life and AD&D, Short-Term Disability and Long-Term Disability. Not all benefits may be applicable to your group. Please consult your Group Insurance Contract or Certificates of Insurance to review your actual benefits. Note: Your policies and certificates will be provided to you by USABLE Life.



## Group Policyholder Duties

As the group policyholder for your employees' benefits, you have the following duties:

- + Securing and submitting applications to BCBSNC ([group.maintenance@bcbsnc.com](mailto:group.maintenance@bcbsnc.com)) for all new employees as they become eligible for coverage
- + Distributing certificates, provided by Saegis Benefits, to all eligible employees
- + Reporting employee changes to BCBSNC, including name changes, changes in coverage or dependent status, and the reason for any termination of coverage
- + Reporting employee salary changes to BCBSNC at least once per calendar year
- + Sending premium payment to BCBSNC for ancillary products
- + Assisting employees with filing their claims
- + Advising employees of their conversion rights
- + Keeping updated copies of beneficiary information for each employee
- + Giving prompt, written notice of any change in the business of the employer – this includes but is not limited to: (a) the type of business; (b) addition or deletion of an associated company; or (c) financial status due to bankruptcy, merger, acquisition or dissolution

## + Customer Support

Our staff can provide you with in-depth plan details and instructions about how best to manage your benefit plans. We provide you with online access to tools and resources, so you can easily manage your company's benefits program at your convenience. Saegis Benefits customer service staff can also provide you with personalized support.

For more information, just call us **1-888-723-4476**, or log on to [saegisbenefits.com](http://saegisbenefits.com).

## Certificate of Insurance Booklets

USABLE<sup>®</sup>, Life will supply you with Certificate Booklets to provide to your insured employees as they become effective. It is your duty as group policyholder or participating employer to distribute these booklets to employees as soon as possible after the employee's effective date. Additional supplies can be ordered by contacting Saegis Benefits at **1-888-723-4476**.

## Required Notice of Insurance Cancellation

In North Carolina, there are legal penalties for not giving adequate notice to employees when a group health insurance policy is being terminated. Any person responsible for administering your company's health benefits should be aware of this law.

Under North Carolina General Statute Section 58-50-40, **NO PERSON**, employer, principal, agent, trustee or third party administrator, who is responsible for the payment of group health or life insurance or group health plan premiums, shall:

- (1) cause the cancellation or nonrenewal of group health or life insurance, hospital, medical or dental service corporation plan, multiple employer welfare arrangement, or group health plan coverages and the consequential loss of the coverages of the persons insured, by willfully failing to pay those premiums in accordance with the terms of the insurance or plan contract, and
- (2) willfully fail to deliver at least 45 days before the termination of those coverages, to all persons covered by the Group Policy a written notice of the person's intention to stop payment of premiums. This written notice must also contain a notice to all persons covered by the Group Policy of their rights to health insurance conversion policies under Article 53 of Chapter 58 of the general statutes and their rights to purchase individual policies under the Federal Health Insurance Portability and Accountability Act and under Article 68 of Chapter 58 of the general statutes.

Violation of this law is a felony. Any person violating this law is also subject to a court order requiring the person to compensate persons insured for expenses or losses incurred as a result of the termination of the insurance.



## Common definitions

The following terms are used frequently in correspondence and policy language concerning your USABLE<sup>SM</sup> Life employee benefit programs:

**Accident or Injury** means accidental bodily injury, sustained by the covered person while insured under the policy, that is the direct cause of the loss, independent of disease or bodily infirmity or any other cause.

**Actively at Work** means the expenditure of time and energy for the policyholder or an associated company at the employee's usual place of business on a full-time basis. If an employee is not working on a day his coverage would otherwise take effect, he will be considered to be at active work on that day only if:

- 1) when that work day begins, it would be reasonable to expect that he would be physically and mentally able to complete a full-time week of work in his regular occupation; and
- 2) he is not disabled; and
- 3) his contract of employment, if applicable, remains active; and
- 4) he is not on an unapproved, administrative or disciplinary leave; and
- 5) he returns to work at the end of a paid break or vacation period.

If an employee is not actively at work on the date his insurance or any increase in insurance is scheduled to take effect, it will take effect on the day he returns to active work. If his insurance is scheduled to take effect on a non-working day, his active work status will be based on the last working day before the scheduled effective date of insurance.

Additionally, employees who are not actively at work for your company for the minimum number of hours shown in the group policy or certificate are not eligible to participate in your USABLE Life insurance plans. Please contact us if you have any questions or concerns regarding employee eligibility.

**Beneficiary** means the person or entity the employee chooses to receive his amount of insurance at his death.

**Covered Person** means an eligible employee or the employee's dependents whose insurance has become and remains effective under all the conditions and provisions of the policy. Covered persons do not include contract, temporary, seasonal or part-time workers.

**Dependent** means the employee's spouse, if not legally separated from the employee, or a dependent child. Dependent child means any unmarried child who is less than age 26 and who is not working on a full-time basis. The term "child" also includes a legally adopted child, stepchild, foster child or any child who lives with the employee.

**Eligible Class** means a class of persons eligible for insurance under the policy. This class is based on employment or membership in a group.

**Eligible Person** means a person who:

- 1) is a citizen of the United States of America (U.S.) or Canada, who either:
  - a) resides in the U.S. or Canada; or
  - b) is stationed outside the U.S. or Canada for a period of less than 6 months; or
- 2) is a foreign national residing in the U.S. and meets all of the following requirements:
  - a) has a valid permanent residency visa;
  - b) participates in U.S. Social Security; and
  - c) is covered by Workers' Compensation

**Eligibility Date for Employees:** Employees are eligible for insurance after they have completed the waiting period specified in the Schedule of Insurance in the group policy or certification or employer's participation agreement.

**Eligibility Date for Dependents:** The eligibility date for dependents is the same as employees. If an employee acquires dependents thereafter, each of these dependents will become eligible on the date of marriage, birth, adoption or dependency of a child.

**Elimination Period** means the number of days during a period of disability that must pass before disability benefits become payable. **For Long Term Disability, the Elimination Period** means the number of days during a period of disability that must pass before benefits are payable. No benefits are payable for the Elimination Period. The employee cannot satisfy any part of the elimination period with any period of non-covered disability. The elimination period is shown on the Schedule of Insurance and begins on the first day of the employee's disability.



## Common definitions (cont.)

**Employee** means an eligible person who is:

- 1) directly employed in the normal business of the employer; or
- 2) paid for services by the employer; or
- 3) actively at work for the policyholder or an associated company; or
- 4) a retiree, if listed as eligible in the policy.

No director, officer, consultant or other person not actively at work on behalf of the employer will be considered an employee unless he meets the above conditions.

**Evidence of Insurability** means a signed health and medical history form provided by us, a medical examination, if requested, and any additional information and attending physicians' statements that we may require.

**Family Member** means a person who is a parent, spouse, child, sibling, domestic partner, grandparent, grandchild, step-child, step-parent, step-sister, step-brother, father-in-law or mother-in-law of the covered person; or spouses, as applicable, of any of these.

**Full-time** means working at least the number of hours indicated in the Schedule of Insurance for full-time employment.

**Hospital** means a facility supervised by one or more physicians and operated under state and local laws. It must have 24-hour nursing service by registered graduate nurses. It may specialize in treating alcoholism, drug addiction, chemical dependency, or mental disease, but it cannot be a rest home, convalescent home or a home for the aged.

**Hospital Confined and Hospital Confinement** means staying in a hospital as a registered inpatient for 24 hours a day.

**Material Duty or Material Duties** means the sets of tasks or skills required generally by employers from those engaged in an occupation. We will consider one material duty of the employee's regular occupation to be the ability to work for an employer on a full-time basis as defined in the policy.

**Occupation** means a group of jobs:

- 1) in which a common set of tasks is performed; or
- 2) which are related in terms of similar objectives and methodologies, and which may be related in terms of materials, products, worker actions or work characteristics.

**Physician** means a person acting within the scope of his or her license to practice medicine, prescribe drugs or perform surgery. This includes a person we are required to recognize as a physician by the laws or regulations of the governing jurisdiction. However, neither the employee nor any family member will be considered a physician.

**Regular Care** means the employee personally visits a physician as often as is medically required to effectively manage and treat the employee's disabling condition(s), according to generally accepted medical standards; and the employee is receiving appropriate treatment and care, according to generally accepted medical standards. Treatment and care for the sickness or injury causing the disability must be given by a physician whose specialty or experience is appropriate.

**Regular Occupation** means the occupation in which the employee was working immediately prior to becoming disabled.

**Retiree or Retirement** means the employee begins receiving retirement benefits from either:

- 1) a retirement plan sponsored by the employer, the policyholder, or an associated company, or
- 2) a government plan.

**Sickness** means a disease or illness, including pregnancy.

**Waiting Period** is the number of continuous days of service during which the employee must be an active, full-time employee, in a class eligible for insurance, before the employee becomes eligible for coverage.



## Enrollment

Enrollment forms must be filled out for all new employees and for all employees who experience a change in status; i.e. they get married or have a child. It is important that these enrollment forms are completed properly. Make sure to maintain copies of these forms in your office with your employee records, since you will be required to produce the form should an employee file a claim.

### New Employees

If your company pays the entire cost of the employees' insurance, all eligible employees must be enrolled. Make sure that all forms are completed legibly in ink and are signed and dated. Do not accept forms that are incomplete or that contain crossed out information.

To enroll new employees in the plan:

- + Complete the appropriate form for each new employee at the time of hire. For groups with 1-24 eligible employees, use Blue Cross and Blue Shield of North Carolina (BCBSNC) enrollment form ENROLL1. For groups with 25+ eligible employees, use enrollment form ENROLL2. You may also use the Group Enrollment or Change Form (Form 1000).
- + Mail the enrollment form along with the BCBSNC billing statement once the employee has satisfied the applicable waiting period.
- + Or E-mail the enrollment form only to [group.maintenance@bcbsnc.com](mailto:group.maintenance@bcbsnc.com).
- + Make sure that beneficiary designations are expressed accurately on all enrollment forms. The relationship of the beneficiary must be specified. If no legal relationship exists, specify "friend."
- + If you currently use eBenefitsNow<sup>SM1</sup> through Benefit Focus, do not submit any enrollment forms. Instead, handle enrollment online following your normal process.

### Examples of standard beneficiary designations:

- + **One beneficiary:** Jones, Nancy M. – wife
- + **Two beneficiaries:** Jones, John L. and Mary H. – father and mother, equally or to the survivor
- + **Three or more beneficiaries:** Jones, George H., Richard E., and Helen M. – children, equally or to the survivors
- + **Contingent beneficiaries:** if living – Jones, Nancy M. – wife; otherwise – Jones, Richard E. and Helen M. – children, equally, or to the survivor
- + **Estate:** Estate of John A. Jones  
Organization: American Humane Society – Charitable Organization – 123 Main Street, Anytown, USA 12345

### Dependent Status Changes

Employees that have a change in dependent status must fill out a new enrollment form. A dependent becomes eligible on the date of marriage or on the date of birth/adoption. Employees should also notify you when they no longer have eligible dependents, for example, in the case of divorce, spouse's death, or when a dependent child gets married or reaches the maximum age (26) for coverage.

To change an employee's dependent status:

- + Have the employee complete the Group Enrollment or Change Form (Form 1000) indicating a dependent status change and the appropriate dates given, such as date of marriage and spouse's birth date, or child's birth date/adoption date.
- + Attach the new form to the employee's original enrollment form in your files.
- + Notify BCBSNC if there is a change in the employee's premium by noting this on your next billing statement.



## Effective dates

### Employee Does Not Contribute

If your employees do not contribute to the cost of their insurance (the employer pays the entire premium), all eligible employees will become effective according to their probationary period.

### Employee Does Contribute

If your employees do contribute to the cost of their insurance, it will become effective as follows:

- + When an employee enrolls within 31 days after becoming eligible, the insurance will become effective on the eligibility date, as specified in your group insurance contract.
- + If an employee does not enroll within 31 days after becoming eligible, satisfactory Evidence of Insurability (EOI) is required. Insurance for employees and dependents (if applicable) is effective on the first day of the month following approval. If using forms ENROLL1 or ENROLL2, the employee will not need to fill out a separate EOI form as those enrollment forms include EOI information. Employees not using ENROLL1 or ENROLL2 will need to fill out Form EOI and submit it to [eoi.requests@bcbsnc.com](mailto:eoi.requests@bcbsnc.com). The employee will be notified of the decision in writing.
- + If an application for reinstatement is made by an employee whose insurance has terminated due to failure to make the required contribution or because he or she previously terminated insurance while in an eligible class, the insurance will become effective on the first day of the month following the approval of the application.

If, due to illness or injury, the employee is not at work on the date on which the insurance or an increase in benefits would otherwise become effective, his or her insurance (and the insurance of any dependents) will not become effective until the employee returns to active work full time and for full pay.

### Dependent Life Benefit

A dependent's coverage becomes effective on the same day as the employee's coverage.

Coverage for a dependent, other than a newborn child, who is confined in a hospital on the day dependent insurance or an increase in insurance is scheduled to take effect will not become effective until the tenth day following final discharge from the hospital.

### Delayed Effective Date

If an employee is not actively at work on the date the insurance or any increase in insurance is scheduled to take effect, it will take effect on the day the employee returns to active work. If the employee's insurance is scheduled to take effect on a non-working day, the employee's active work status will be based on the last working day before the scheduled effective date of the insurance.



## Billing

You will receive a bill each month from BCBSNC that lists each employee's name, the amount of premium for each product and the total premium due. In addition to the health insurance premiums, the BCBSNC billing statement includes the premiums for products that you have purchased through Saegis Benefits, such as Life Insurance and AD&D.

When you receive the bill:

- + Verify that all persons listed on the bill are active employees and are eligible to participate in this program. Payment of premium on ineligible or not actively at work employees or dependents does not provide coverage.
- + Mail one copy of your bill, along with your check, to the address listed on your billing statement.

Do not add names to the bill or make payments for persons who do not appear on the bill. Be sure to pay the amount specified on the bill. The names of new employees will be added to the bill after the enrollment forms have been received and processed.

### + Important note: Billing Coverage in Arrears

If an employee's new enrollment form does not reach BCBSNC in time for the employee's name to appear on the next bill, his or her name will be placed on the following bill. If this happens, BCBSNC will bill "arrears" for any previous month(s) of coverage. If an employee's name is listed on the bill more than once, this usually indicates that the premium for his or her coverage is being billed "arrears." Each time an employee is listed indicates a previous one month period for which he or she was insured but not billed. If you disagree with the arrears charges, please call BCBSNC at **1-877-237-6275**.



## How to file claims

USABLE<sup>®</sup> Life strives to provide you with professional and efficient service when handling claims for your employees. You can assist them in this effort by submitting claims information in a timely manner and by reviewing claim forms for completeness and accuracy before you mail them.

Follow these step-by-step instructions when completing claim forms and contact the USABLE Life Claims Department at **1-800-370-5856** if you have questions or need assistance.

### Life Insurance and AD&D Claims:

#### Death of an Insured Employee

- + Complete the Employer's Statement on the front of the Proof of Death claim form (CL-PD) and attach a certified copy of the death certificate. If the death is due to suicide, homicide or accidental means, a copy of the investigating officer's report is also required. A toxicology report may be necessary if testing was performed.
- + Obtain a signed Authorization to Obtain Information from the next of kin.
- + Submit a completed Beneficiary's Statement from the designated beneficiary on file.
- + Submit the documents and the original enrollment form along with any subsequent change forms to USABLE Life.

#### Death of an Insured Dependent

- + Complete the Employer's Statement.
- + Have the insured employee complete the Employee's Statement on the reverse side of the Proof of Death claim form (CL-PD).
- + Send a certified copy of the death certificate, a photocopy of the insured employee's original enrollment form and a copy of any subsequent change forms to USABLE Life.

#### Accidental Dismemberment Benefits

This benefit is available for employees only, not for dependents. To file an accidental dismemberment claim:

- + Complete the Employer's Statement on the front of the Statement of Claim – Group Accident Insurance form (CL-VADD).
- + Forward the claim form to the insured employee for completion of the Claimant's Statement and the Attending Physician's Statement. If the accident was investigated by law enforcement authorities, a copy of the investigating officer's report should be attached to the claim form. A toxicology report may be necessary if testing was performed.
- + Mail the completed Statement of Claim – Group Accident Insurance form to USABLE Life.

### Assigning Benefits to a Funeral Home

- + Life insurance and accidental death benefits of USABLE Life policies may be assigned to a funeral home to assist in the payment of these costs. Either the insured employee or the adult beneficiary of a policy can make this assignment. If an assignment is executed, the assignment document must be submitted with the claim form and death certificate when returned to USABLE Life. Questions regarding the amount of coverage and beneficiary designation should be directed to the USABLE Life Customer Accounts Department at **1-800-370-5856**.



## Short-Term Disability (STD) Claims:

Employees who want to file an STD claim should call USABLE<sup>SM</sup> Life's Telephonic Claims toll-free line at **1-866-412-9929**. Claims specialists are available from 8:30 a.m. to 5:00 p.m., EST. The specialist will record the employee's information and mail the employee a medical authorization form (H&P-AUTH(4-10)), the Attending Physician Statement (CL-STD(4-10)) and the Employer's Statement (CL-STD(4-10)) to be completed and returned to USABLE Life.

To file an STD claim:

- + Complete the Employer's Statement under the Attending Physician's Statement on the reverse side of the Statement of Claim – Short Term Disability Income Benefits claim form (CL-STD). If the disability is work related, submit a copy of the Workers Compensation Claim (WCC) decision along with the claim form.
- + The employee must complete the Employee's Statement on the Statement of Claim – Short Term Disability Income Benefits claim form (CL-STD). It is very important that all questions are answered and that the Authorization to Obtain Information is completed and signed. Incomplete forms may result in a processing delay.
- + The employee's physician must complete the Attending Physician's Statement, which is on the reverse side of the Statement of Claim – Short Term Disability Income Benefits claim form (CL-STD).
- + Ensure that all employee salary changes have been reported to BCBSNC.
- + Mail or fax forms to USABLE Life.

Once the employee returns to work after receiving short-term disability benefits, please contact USABLE Life.

## Continuing Disabilities

For continuing disabilities, an Update Form – Short-Term Disability (CL-STD-SP) is required usually every four to eight weeks depending on the diagnosis and prognosis for a particular disability. These forms DO NOT require an employer's statement and are mailed directly to the employee's home address for completion by the attending physician. The statement must be returned as indicated in order to avoid interruption of benefit payments.

## Disability Payments

Disability claims are processed daily. Payments are generated for a payment period of Sunday through Saturday. Payments are mailed on Mondays or the first business day of the week as long as the employee's disability is medically supported and certified by the physician up to the maximum duration defined in the Schedule of Benefits.

### Important note about FICA withholding

- + The Social Security Act (H.R. 4331) requires insurance companies to withhold FICA taxes from disability income payments. FICA taxes will be withheld in the same proportion as the employer's premium contribution. For example, if the employer pays 50% of the premium for short term disability coverage, and the employee pays 50% of the premium for short-term disability with pre-tax dollars, FICA taxes will be withheld on 100% of the disability payment.

Saegis Benefits will notify you (the employer) of the amount withheld for each employee so that you can report and deposit the applicable matching employer contributions. These reports will be provided on a bi-weekly, quarterly and annual basis. Information about the annual report should be included on your employees' W-2 forms in box 13. Earnings must be included under the Federal Wage box (box 1), also on the W-2. Questions about your FICA reports should be addressed to your tax advisor.

## Long-Term Disability (LTD) Claims:

If not enrolled in STD with USABLE<sup>SM</sup> Life, LTD claims should be filed approximately 60 days before the end of the elimination period. To file an LTD claim:

- + Complete the enclosed Employer's Report of Claim (LC-4571-16), and send it to the address shown on the form. Include the employee's job description and other applicable documentation. Give the remaining portions of the claim form to the employee to complete.
- + The employee should execute the Employee's Authorization for Release of Information (LC-4571-16, Section III) and the Employee's Disability Benefits Application (LC-4571-16, Section II), and should submit both forms to his or her attending physician.
- + The attending physician should complete the Attending Physician's Statement (LC-4571-16, Section IV) and return this statement, the employee's statement and the Authorization for Release of Information to the address shown on the claim form.

## Extended Life Insurance Benefits (Waiver of Premium):

If your group insurance contract contains an extended-life-insurance-benefits (Waiver of Premium) provision, the insured employee's group life insurance benefits will be continued without premium payment as long as the employee remains totally disabled under the terms and provisions of your group insurance contract.

In order to be eligible for this benefit, total disability must begin **prior to age 60**. (This is the standard, refer to your certificate for group-specific information.) The employee must be totally disabled for at least six months without interruption, during which time premiums must be paid. Proof of total disability must be given no later than 12 months after the last day worked. For employees who become disabled **after the age of 60** (this is the standard, refer to your certificate for group-specific information), please refer to the conversion privilege provisions specified on the Certificate of Insurance.

To file a claim for Extended Life Insurance Benefits (Waiver of Premium):

- + Complete the Employers Statement on the Application for Extended Insurance Benefits claim form (CL-WAIVER) and forward the completed form to your employee.
- + Make sure that the employee and his or her attending physician complete the Employee's Statement, Authorization for Release of Medical Records, and the Attending Physician's Statement. The completed forms should be sent to USABLE Life.
- + When the claim has been adjudicated, the employer and the employee will receive written notice of our decision. Once you receive the notice, submit a copy of the approval letter with the billing statement to BCBSNC. Periodic updates verifying disability will be requested directly from the employee, as provided in your group insurance contract.

## Important Note: Changes affecting Waiver of Premium Benefits

- + If, for any reason, your group life contract should terminate or if employees of a certain class become ineligible for coverage, employees who have been approved for Waiver of Premium benefits may be adversely affected. Some employees may be eligible for conversion to an individual policy which will require premium payments after termination under your group insurance contract. This depends on the actual terms and provisions of your group contract. If you are considering a change in your group life insurance plan, please check your group insurance contract or call Saegis Benefits for further information.

## Conversion of Group Life Insurance Benefits

When an employee terminates employment or otherwise becomes ineligible for your group's life insurance program, he or she may convert group life insurance benefits to an individual policy. Conversion will be to a life insurance policy that is subject to the terms of your group's master policy conversion privileges, as described in your group insurance contract. This conversion policy will be issued without medical examination. The premium rate for individual life policies will be based on the employee's age at his or her nearest birthday.

- + Employees must complete the conversion form (20PL-APP (5-08)) and send it to USABLE<sup>®1</sup> Life. The form, and the first full premium payment, must be received within 31 days of termination of employment or ineligibility.
- + Employees may convert all or part of their group life insurance coverage, as limited by the group insurance contract.
- + The new policy will become effective on the first day following the expiration of the 31-day conversion period.
- + Disability and AD&D coverage may not be converted. However, if termination is due to disability, the employee may be eligible for extended insurance benefits. For more information, see page 12, How to File Claims: Extended Life Insurance Benefits (Waiver of Premium).

It is important that your employees read their Certificate of Insurance and understand the Conversion Provisions. We are unable to make any exceptions for applications received after the expiration dates listed in your group insurance contract. Please contact Saegis Benefits if you have any questions.

### Conversion Privileges

- + As the group policyholder or participating employer, it is your responsibility to provide written notification to your employees of their right to convert their benefits. The Application to Convert Group Term Life Insurance (20PL-APP (5-08)) should be mailed to the employee's last known address at the time of termination.

## Contact information

### Saegis Benefits

PO Box 2291  
Durham, NC 27702-2291  
phone: **1-888-723-4476**  
fax: 919-765-7133  
**saegisbenefits.com**

Include your company's BCBSNC group number and company name on all correspondence and forms. Keep a copy of all correspondence and forms for your files. We suggest that you either keep a file on each employee or keep any correspondence which relates to the employee's coverage in your employee's personnel file.

### USABLE<sup>®1</sup> Life

Attention: Claims Department  
PO Box 1650  
Little Rock, AR 72203-1650  
**501-375-7200 or 1-800-648-0271**  
fax: 501-235-8417

Claims information and forms should be sent to USABLE Life. When contacting USABLE Life regarding a claim, please provide information regarding the type of claim, state where you are located and employer name so that your call can be directed properly. Please include your group number and company name on all correspondence and forms. Keep a copy of all correspondence and forms for your files.

## Notice of Privacy Practices

We take your employees' privacy very seriously. It is our goal to safeguard all information from inappropriate use or disclosure. We have taken many steps to ensure the safekeeping of data, the security of communications with us, and disclosure of any information necessary to fulfill our role as your insurer.

The Notice of Privacy Practices outlined below can also be found with our full Privacy Policy on our Web site at

<http://www.usablelife.com/privacypolicy.aspx>

By law, USAble<sup>®</sup> Life is required to protect the privacy of your protected health information. We must also give you this notice to tell you how we may use and give out ("disclose") your protected health information held by us.

USAble Life must use and give out your protected health information to provide information:

- + To you or someone who has legal right to act for you (your personal representative)
- + To the Secretary of the Department of Health and Human Services, if necessary to make sure your privacy is protected; and
- + Where required by law

USAble Life has the right to use and give out your protected health information to perform business operations. For example:

- + We can use your protected health information to pay or deny your claims or to collect your premiums.
- + Members of our staff may use this information in an effort to continually improve the quality and effectiveness of the benefits and services we provide.
- + We may disclose protected health information to your employer, if your employer arranges for your insurance. If your employer meets the requirements outlined by the privacy law, we can disclose protected health information to the appropriate areas so they can modify benefits, work to control overall plan costs, and improve service levels. This information may be in the form of routine reporting or special requests.
- + We may disclose protected health information to others who are contracted to provide services on our behalf. Some services are provided in our organization through contracts with others. Examples may include claim investigation management, medical record retrieval, reinsurance and copy services we use when making copies of your health record. Our contracts require these business associates to appropriately protect your information.

- + Members of our staff, using their best judgment, may disclose to a family member, other relative, other personal friend or any other person you identify, health information relevant to that person's involvement in the payment of your claims or collection of your premiums. An example would be your spouse calling to verify a claim was paid or the amount paid on a claim.

USAble Life may use or give out your protected health information for the following purposes, under limited circumstances:

- + To state agencies that have the legal right to receive USAble Life data (such as to make sure we are making proper payments)
- + For public health activities (such as reporting disease outbreaks)
- + For government oversight (such as fraud and abuse investigations)
- + For judicial and administrative proceedings (such as in response to a subpoena or other court order)
- + For law enforcement purposes (such as providing limited information to locate a missing person)
- + To avoid a serious and imminent threat to health or safety
- + To contact you regarding new or changed benefits

By law, USAble Life must have your written permission (an "authorization") to use or give out your protected health information for any purpose other than payment or business operations or other limited exceptions outlined here or in the privacy regulation. You may take back ("revoke") your written permission at any time, except it will not apply if we already acted based on your permission.



## Notice of Privacy Practices (cont.)

### Your Rights Regarding Medical Information About You

By law, you have the right to:

- + See and get a copy of your protected health information that is contained in a designated record set that was used to make decisions about you.
- + Have your protected health information amended if you believe that it is wrong, or if information is missing, and USABLE Life agrees. If USABLE Life disagrees, you may have a statement of your disagreement added to your protected health information record.
- + Receive a listing of those getting your protected health information from USABLE Life. The listing will not cover your protected health information that was given out to you or your personal representative; that was given out for payment or business operations; that was given out based on an authorization signed by you; or that was given out for law enforcement purposes.
- + Ask USABLE Life to communicate with you in a different manner or at a different place (for example, by sending your correspondence to a P.O. Box instead of your home address) if you are in danger of personal harm if the information is not kept confidential.
- + Ask USABLE Life to limit how your protected health information is used and given out to pay your claims and perform business operations. Please note that USABLE Life may not be able to agree to your request.

### To Exercise Your Rights

If you would like to contact USABLE Life for further information regarding this notice or the exercise of any of the rights described in this notice, you may do so by contacting our Privacy Office at the following telephone numbers: **501-378-3306** (Little Rock) or **1-800-648-0271** (toll free).

### Changes to this Notice

We are required by law to abide by the terms of this notice. We reserve the right to change this notice and make the revised or changed notice effective for medical information we already have about you as well as any future information we receive. When we make changes, we will notify you by sending a revised notice to the last known address we have for you.

### Complaints

If you believe your privacy rights have been violated, you may file a complaint with USABLE Life or with the Secretary of the Department of Health and Human Services. You may file a complaint with USABLE Life by writing to the following address:

USABLE Life  
ATTN: Privacy Officer  
P.O. Box 1650  
Little Rock, AR 72203-1650

Or electronically to:  
[privacyofficer@usablelife.com](mailto:privacyofficer@usablelife.com)

We will not penalize or in any way retaliate against you for filing a complaint with the Secretary or with us.

You may also file a complaint with the Secretary of the U.S. Department of Health and Human Services. Complaints filed directly with the Secretary must: 1) be in writing; 2) contain the name of the entity against which the complaint is lodged; 3) describe the relevant problems; and 4) be filed within 180 days of the time you became or should have become aware of the problem.



