



American Institute of  
Certified Public Accountants  
Insurance Trust

# Administration Manual for Participating Firms

Group Life, Accidental Death and  
Dismemberment Insurance



**Prudential**



# Online Forms

You may obtain the required Group Insurance Plan administration forms online by accessing those online addresses indicated below.

All forms are in Adobe Portable Document Format (PDF) and require Adobe Acrobat Reader. If you do not have Acrobat Reader on your computer you may download it from either site.

Please review the appropriate sections of this manual for instructions regarding submission of these Forms to the Plan Agent, Aon Insurance Services.

**www.cpai.com**  
Click – Group Life for Firms  
Click – Administration Manual & Forms


**Available Forms**

- Monthly Group Insurance Reporting Form
- Notice of Group Life Conversion Privilege Form
- Order Form for Group Supplies
- Request to Transfer Group Insurance Form
- Change of Name/Beneficiary Form

Click – Application for Coverage

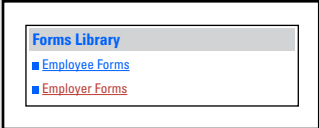
**Available Forms**

- Group Insurance Plan Medical Statement
- Request for Group Insurance Plan Coverage



The screenshot shows a navigation menu for cpai.com. It includes a 'Business Insurance' section with links to Commercial Property and Liability, Employment Practices Liability, Group Life for Firms, Professional Liability, and Specialty Coverages. Below this are links for 'Options and Features', 'Administration Manual & Forms', and 'Additional Plan Features'. At the bottom are links for 'Application for Coverage' and 'Electronic Reporting Program'.

**www.prudential.com/gi**  
Click – Employer Forms (under the Forms Library header)

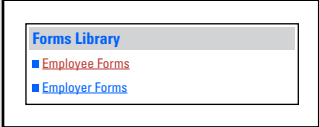


The screenshot shows a navigation menu for prudential.com/gi. It includes a 'Forms Library' section with links to 'Employee Forms' and 'Employer Forms'.

**Available Forms**

- Notice of Conversion Privilege for Group Life Insurance
- Group Life Claim Form – all Life
- Group Life Accidental Injury Claim Form
- Group Life Claim for Total Disability Benefits
- Attending Physician’s Statement

**www.prudential.com/gi**  
Click – Employee Forms (under the Forms Library header)



The screenshot shows a navigation menu for prudential.com/gi. It includes a 'Forms Library' section with links to 'Employee Forms' and 'Employer Forms'.

**Available Forms**

- Accelerated Benefit Option Claim Form 6–month Life Expectancy



# Foreword

This manual has been prepared to assist you in handling the administrative details of your Group Insurance Plan.

All those concerned with the operation of the Plan in your organization should familiarize themselves with this manual as well as the Group Insurance Plan booklet.

Please send all correspondence concerning the Plan to:

**American Institute of Certified Public Accountants Insurance Trust  
Aon Insurance Services, Plan Agent  
159 East County Line Road  
Hatboro, PA 19040-1218  
Telephone 1-800-223-7473**

All monthly or quarterly Group Insurance Plan Reports and remittances should be sent to:

**American Institute of Certified Public Accountants Insurance Trust  
Aon Insurance Services, Plan Agent  
P.O. Box 2290  
Carol Stream, Illinois 60132-2290**

Administrative services and clerical duties will be performed at this address, but for the sake of convenience it is referred to as the “Plan Agent” in this manual.

If you should have any questions or problems requiring personal service, please contact the Group Insurance Plan Department of the Plan Agent.

# Statement on Confidentiality

Your Prudential Group Insurance program involves processing and maintaining personal data information that is both personal and confidential. It is the responsibility of those involved in administering your plan to make certain that the information they see is held in the strictest confidence.

The purpose of this Statement is to remind you of this responsibility and to assist you in developing an effective method for preserving the confidential nature of information maintained in your insurance files. We urge you to implement the following steps so that information maintained in your records is not used to the detriment of any employee.

1. All persons involved in administering your Group Insurance program should regard all information as being both private and confidential.
2. Only employees authorized to review personal data in their role as an insurance administrator should be permitted to do so.
3. Before releasing any information contained in an insured's record to a third party (other than the beneficiary or executor in the event of death), the consent of the insured should be received.
4. The content of all claim information is regarded as "Confidential Communication." Only those persons processing claims and/or Prudential should be knowledgeable of the claim content.
5. Any request for the release of medical information from an insured's record or Medical Information Bureau which is made by an attorney, a doctor or a State Insurance Department should be referred to Prudential for proper handling.
6. If it is necessary to obtain information from a physician or an insured in connection with the processing of a claim, be specific as to what information you need and why it is needed.
7. Certificates will be sent directly to each enrolled employee. However, if any should reach you, treat these as you would other personal information.

In essence, the best policy to follow in administering your insurance program is simply not to discuss any information with those who do not need to know.

We feel confident that the above steps will provide a sound foundation for instituting procedures to protect your employees against invasion of their privacy.

—*Group Insurance Plan Department*

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(Note: If your firm has elected to provide Dependents Group Life Insurance Coverage, a separate supplement is provided.)



# Eligibility

## **Firms Eligible to Participate in the Plan**

Once a firm has become eligible and has subscribed to the Plan, the opportunity to request coverage will be offered to all its employees. Membership in the American Institute of Certified Public Accountants must be maintained by the proprietor or one of the partners or members of the Public Accounting Firm. For Firms which are not Public Accounting Firms, a member or members of the AICPA must have at least 50% ownership to have firm coverage. Participation of a firm may be terminated but the provisions of Section 12 of the Plan must be complied with. If a firm discontinues participation it can restore participation in accordance with Section 13 of the Plan. In the event a participating firm reduces to one insured individual, the insurance for that individual will continue while the Firm continues as a participating firm, until participation is terminated in accordance with Section 12 of the Plan.

## **Successor Firms**

(See Section 1.2 of the Plan for definition.)

The participation of the Successor Firm will commence on the day following the termination of the participation of its predecessor. (See Section 3.1 of the Plan.)

## **Notice of Successorship**

- (a) No notice is required by the Plan Agent when the Successor Firm bears the same name as the former Participant or is a corporation or association and at least a majority of the total interest therein is held on the day of its organization by persons who held a majority of interest in the predecessor.
- (b) When the Successor Firm does not bear the same name as the predecessor, notice of the successorship should be given in writing to the Plan Agent preferably before the change in name is to occur but in no event should notice be given later than the first day of the calendar month next

following the month in which the change of name occurred. The Plan Agent will then supply the necessary Subscription Form for Successor Firms for completion of filing.

## **Eligible Employees**

A full-time individual regardless of the nature of his/her work with the participating firm (proprietor, partner, accountant, clerk, stenographer, typist, service clerk, etc.) must be considered to be an eligible employee (see "Dates of First Becoming Eligible"). For group insurance purposes, a full-time individual excludes individuals whose customary employment is less than 17 1/2 hours in any week or less than 5 months in any calendar year and in the case of a proprietor or partner excludes such individuals who devote less than 17 1/2 hours per week to the business.

**(See Section 4.1 (a) and 4.1 (b) of the Plan.) Anyone who does not meet those work-hour requirements must be considered to be a part-time employee and is not eligible.**

Should the individual on part-time later change to full-time, such individual must be considered to be an eligible employee as of the date on which the change is made. If there are any questions concerning individual employees and their eligibility for coverage, please refer your inquiries to the Plan Agent.

## **Dates of First Becoming Eligible**

In accordance with Section 5.3 of the Plan, all full-time individuals will be eligible to request coverage on the first day on which either Requirement A or Requirement B\* of Section 5.1 of the Plan is satisfied provided that the eligible individual is actively at work on that date; otherwise, on the date he/she returns to active full-time work. Report each insured individual for whom you received notification of acceptance on the monthly reporting form. Requirements A or B shall not apply if a firm chooses immediate eligibility. In addition, all employees hired within the prior six months of the effective date of the Plan will immediately

be eligible as long as they satisfy all other eligibility requirements.

Individuals requesting insurance under the Plan must submit evidence of insurability which is approved by Prudential and be actively at work on a full-time basis on the last regular working day immediately preceding the effective date in order to become insured. If an individual is not actively at work on the date set forth above, his/her insurance will become effective on the date he/she returns to active work on full-time.

In the event an individual is not actively at work as explained above, his/her name should not be reported on the monthly report form until the one covering the period in which he/she returns to active work on full-time. The day he/she returns to active work on full-time should be listed under the column "Effective Date of Insurance" and a notation made basically as follows: "Not actively at work on normal effective date."

**Please note that service with another participating firm may be counted towards satisfying the waiting period unless selecting "the immediate eligibility option." Also, see the section entitled "Procedures for Enrollment."**

### **Return From Military Service**

The effective date of coverage for an individual returning from Military Service and who was not continued for the coverage while on Military Service (see Section 6.3) is indicated in Section 5.4 of the Plan.

### **Amounts of Coverage**

NOTE: Beginning October 1, 2005 in addition to the three and two times option, a one times earnings option is made available to the firms. Under this option the firm will be limited to a choice of schedules of \$200,000, \$100,000 and \$50,000. Depending on the schedule to which your firm has subscribed, the initial coverage must be provided according to the status of the individual as a proprietor, partner or employee. The partner or sole proprietor must request the appropriate amount of insurance

depending on age, and the employee must request such amount determined by his/her annual earnings taking into consideration his/her age and the maximum of your elected Schedule. The Schedules of Insurance are described in the Group Insurance Booklet as the "1947 Schedule," the "1954 Schedule," the "1969 Schedule," the "1972 Schedule," the "1975 Schedule A," the "1975 Schedule B," the "1978 Schedule A," the "1978 Schedule B," the "1981 Schedule A," the "1981 Schedule B," the "1983 Schedule," the "1986 Schedule," the "1989 Schedule A," the "1989 Schedule B," the "1989 Schedule C," the "1991 Schedule A," the "1991 Schedule B," the "1991 Schedule C," the "1991 Schedule D," the "1998 Schedule A," the "1998 Schedule B," the "1998 Schedule C," the "1998 Schedule D," the "1998 Schedule E," and the "1998 Schedule F." The amounts and coverage determinations as set forth in each applicable schedule are mandatory and not permissive. In addition, it is required that proper adjustments be made each October 1 following the date of first becoming insured as provided in the appropriate schedule.

### **Eligible Individuals Previously Denied Coverage**

Eligible individuals who have had a request for coverage denied may make another request no sooner than one year after the date of the rejection. Any such individual wishing to resubmit should provide evidence of insurability according to the "Procedures for Enrollment" for "New Hires" (on page 5.)

### **Individuals Previously Covered By a Participating Firm (Transfer Rule)**

If an individual was previously covered by a participating firm and the individual started with the present firm within sixty-two days since the prior separation date with the previous firm, the insurance can be reissued without submitting medical evidence. Under this reissued insurance the individual is eligible for the lesser of the former or present firm's schedule using current earnings, age and the

lower of current and prior status. Please have the individual complete a Request to Transfer Group Insurance form and submit it to the Plan Agent. This option is only available to individuals who did not convert their previous coverage upon termination of service with the prior firm. Any individual who converted the prior coverage and does not cancel the converted policy must submit evidence of insurability to be considered for new coverage.

If the existing firm's schedule is higher than the previous participating firm's schedule, the individual has the option of submitting evidence of insurability for the higher amount. Evidence of insurability should be submitted according to the "Procedures for Enrollment" for "New Hires" (on page 5). If the individual is denied the higher schedule, the previous schedule will be reissued. A person who transfers as a partner or proprietor has the option of applying immediately for the maximum coverage available for proprietors or partners under the new schedule; however, if denied, the prior coverage remains intact.

For example, an insured individual has a salary of \$70,000 on October 1, 2007. Prior to that date, the insured individual was covered for \$180,000 based on three-times their previous salary of \$60,000. If the individual's firm makes no change in its participation and retains its \$200,000 Schedule, their coverage increases to \$200,000, the maximum available under the \$200,000 Schedule. In this instance, no medical statement is necessary for the \$20,000 coverage increase. However, if the firm adopts the \$300,000 Schedule, the individual's coverage becomes \$210,000. In this case, evidence of insurability is required for the \$30,000 increase.

Please note that if an individual is not approved for the increased coverage, the old Schedule of Coverage using the firm's present election of three-times or two-times earnings will prevail.

### **Auditing Provision**

The Group Insurance Plan contract provides that "All records of the Policyholder and of the Employer which have a bearing on the insurance shall be open for inspection by Prudential at any reasonable time." Prudential may conduct audits to verify the number of eligible employees and to verify that the insurance benefits are supported by each individual's salary and position. Prudential will contact you should your firm be chosen for an audit.



# Procedures for Enrollment

## New Hires

All eligible individuals should submit evidence of insurability using either a Group Insurance Plan Medical Statement or Request for Group Insurance Plan Coverage. The applicable form (to be completed by both the firm and the individual) is indicated below and is available online.

### Firms with:

<b>Fewer than 25 eligible individuals (excluding the Proprietor or Partners)</b>	<b>Group Insurance Plan Medical Statement</b>
<b>25 or more eligible individuals (excluding the Proprietor or Partners)</b>	<b>Request for Group Insurance Plan Coverage</b>

The Medical Statement which includes authorization to obtain needed medical information must be signed and dated.

For firms who have elected an “immediate eligibility option” for its members, the applicable form for a new hire should be completed concurrent with the first day of employment and submitted to the Plan Agent. For firms who have elected a “6 month waiting period” option the applicable form should be completed after finishing four months of continuous service and submitted to the Plan Agent. However, coverage will not commence under either option unless the individual is actively at work on full-time status (see “Eligible Employees” – page 1) with the firm on the date coverage would otherwise begin.

The Subscriber (i.e., the Firm) should complete the section on the Form labeled “To be Completed by Firm.” The individual’s earnings and/or position at the time of the request subject to the firm’s schedule maximum limit should be used in determining the “amount of coverage requested.”

Please instruct the eligible individual on how to complete the Form and have the individual mail it directly to the Plan Agent in the attached postpaid envelope marked “Personal and Confidential.” It is important that the form be properly completed and legible.

The full name of the individual as well as the full name and relationship of the beneficiary must be shown, for example:

Mary A. Jones, Wife; not Mrs. J.A. Jones.

## Effective April 1, 2001

For firms with 10-24 eligible lives (excludes proprietors and partners) any individual who submits a completed Medical Statement and is subsequently denied for coverage based on the evidence provided, will automatically be covered for an amount of insurance not to exceed the lesser of his/her multiple of earnings rounded to the nearest \$1,000 (in accordance with his/her firm’s election), the firm’s schedule maximum and \$50,000. A proprietor or partner rejected will automatically be eligible for \$50,000. This provision does not apply to any individual who was previously denied for coverage.

If the evidence of insurability has been approved or a guaranteed amount of insurance is granted (as described previously), the Plan Agent will notify both you (the Subscriber) and the individual as to the effective date of insurance. The Plan Agent will also notify you of any individual whose request for coverage is not approved. Notification will be made to the individual on the acceptance of coverage in the Plan with a Certificate of Insurance, a copy of the booklet entitled “Your Group Insurance Plan Benefits,” and a Summary Plan Description.

All individuals from firms whose request for coverage has been denied will be directly notified by the Plan Agent. If an individual leaves your service before becoming insured, please notify the Plan Agent as soon as possible to avoid any unnecessary medical underwriting procedures.

Please contact the Plan Agent if you (the Subscriber) or the eligible individual have any questions.

**An individual's coverage is not effective until Prudential receives and approves satisfactory evidence of insurability. It is the Firm's responsibility to make sure that the eligible individual forwards the completed Form to the Plan Agent.**

### **Rehired Individuals**

If an individual is rehired, he/she may be entitled to credit for prior service if he/she meets the conditions outlined under Section 5.1 of the Plan. The individual must present satisfactory evidence of insurability unless the individual was previously covered, the rehire date is no more than 62 days after the prior separation date, and the individual requests the same schedule of coverage. If one or more of these conditions is not met, then evidence of insurability must be submitted according to the procedures described above for "New Hires." If an individual returns from Military Service, he/she may be entitled to credit for prior service if he/she meets the conditions outlined under Section 5.1 or 5.4 of the Plan, whichever is applicable.

**Important: If an individual converted his/her Life Insurance upon termination of his/her previous employment, he/she will be required to submit evidence of insurability satisfactory to Prudential before he/she may again become insured under the Group Insurance Plan. If the converted policy was cancelled prior to the date he/she would otherwise first become insured then the Transfer Rule applies.**

# Beneficiary Designations

## Original Beneficiary Designation

Both the Medical Statement Form and Request for Group Insurance Plan Coverage form provides a space for the original beneficiary designation.

If an individual designates more than one beneficiary and/or more than one contingent beneficiary to share in the proceeds other than equally, it will be necessary to furnish an outline of the beneficiary designation desired when submitting the Form to the Plan Agent.

To avoid complication at death of the insured, an organization or endowment should not be named as beneficiary unless it has been ascertained that such organization or endowment is a legal entity; that is, that it has a recognized legal existence such as a corporation, trust, certain churches, etc.

## Beneficiary Designation Not Allowed

*The employer cannot be named as beneficiary.* However, the spouse of a proprietor or partner can name the proprietor or partner as a husband or wife relationship. A partner can name his/her partners or the partnership as beneficiary to satisfy a buy - sell agreement or other agreements.

## Change of Beneficiary After Original Endorsement

A request for Change of Beneficiary Provision should be completed when an individual desires to change his/her beneficiary and the beneficiary and/or beneficiaries are to receive a death benefit.

If an individual designates more than one beneficiary and/or more than one contingent beneficiary to share in the proceeds other than equally, it will be necessary to furnish an outline of the beneficiary designation desired when submitting the Request for Change to the Plan Agent.

To avoid complication at death of the insured, an organization or endowment should not be named as beneficiary unless it has been ascertained that such organization or

endowment is a legal entity; that is, that it has a recognized legal existence such as a corporation, trust, certain churches, etc.

## Special Modes of Settlement

Instead of the beneficiary and/or beneficiaries receiving direct access to all life insurance proceeds, a settlement option may be selected by an individual where a distribution of life insurance proceeds will be paid over a period of time according to the selected option. The proceeds for Accidental Death Benefits may be paid in the same manner as that selected for the Life Insurance proceeds.

A package on modes of settlement may be obtained from the Plan Agent on request.

## Change of Name of Insured or Relationship of Beneficiary

An individual whose name has changed, or desires to change the relationship of his/her beneficiary, should complete the Request for Change form for submission to the Plan Agent. If the change is due to marriage, the same form can be used for change of beneficiary. The form should be dated and signed by the individual, and his/her signature properly witnessed. Send the form to the Plan Agent where a rider form will be prepared and sent to the individual for attachment to his/her certificate as evidence of the change.

## Assignments

If an individual wishes to assign the coverage either as a gift, for value or as collateral, write to the Plan Agent for the forms and procedures.

Once an assignment is made, such assignment will apply to all coverage in force on the life of the assignor.

See the section entitled, "Death Claim Procedures" for filing of proof of death forms when an individual has assigned his/her insurance.



# Termination of Individual Insurance

## **Resignation, Discharge, Retirement**

The Life and Accidental Death and Dismemberment Insurance on the individual automatically terminates on the date the individual's active service with your organization terminates. (See Section 9 of the Plan.) However, if the individual should die during the following 31 days, the amount of Life Insurance will be paid to his/her beneficiary. The Accidental Death and Dismemberment benefit will not be paid for any loss incurred after termination.

**Minnesota Residents Only:** If employment is terminated, either voluntarily or involuntarily, or if the individual is laid off and the group policy is still in force with the firm, coverage may be continued by the individual until coverage is obtained under another group policy or until a return to work from lay off; however, the maximum period that coverage may be continued is 18 months. Minnesota law allows the individual to elect such coverage by the later of (a) 60 days from the date the notice of continuation is received from the firm; or (b) 60 days from the date coverage would otherwise have terminated.

If Advanced Age Coverage (Section 9A in the Plan) is in effect for a partner or proprietor who retires, the coverage will be continued subject to reductions as described in the Group Insurance Booklet, as long as the individual is associated in any capacity with and receiving any material amounts of income of a share of the Firm's earnings or of purchase installments directly from the insured firm or a successor which continues to participate in this Group Insurance Plan. Upon termination of such association with the insured firm or its successor, the Life Insurance will be paid if the partner or proprietor should die during the following 31 days. The Accidental Death and Dismemberment benefits will not be paid for any loss incurred by such a proprietor or partner after termination of such association.

## **Disability, Lay-Off or Leave of Absence**

The maximum periods for which the insurance may be continued for an individual absent from active work are explained below. Since Group Insurance must be administered in accordance with rules precluding individual selection, it is important that you establish a definite practice for each of these causes and apply the practice consistently to all individuals or all of a class or classes of individuals.

**Disability-** You may continue the insurance while an individual is away from work because of disability, for such period as the individual is considered to be in the employ of your company, provided contributions are remitted as usual. (Disability is defined as being prevented by bodily injury or disease from performing any work or engaging in any occupation for remuneration or profit.)

Should the employee become totally disabled before the October 1 coinciding with or next following his/her 60th birthday, the individual may be entitled to Life Insurance protection without payment of contributions due on behalf of such employee by a Firm. If you believe an individual would be eligible for consideration as a totally disabled employee, forward the facts to the Plan Agent. An insured individual who is less than age 50 on the immediately preceding October 1 may be eligible for Installments During Total and Permanent Disability. The Installments During Total and Permanent Disability benefit is not in effect for a firm participating in the 1947 Schedule of Insurance.

If the individual becomes entitled to the Life Insurance protection under these provisions, the Accidental Death and Dismemberment Insurance in force at that time does not continue during the total disability.

**Lay-Off or Leave of Absence Except to Enter Armed Forces-** The insurance may be continued for a period not exceeding two months from the date the employee ceases active work. You may follow the practice of continuing the insurance until the end of the month for which an insurance charge has been paid, or you may continue the insurance for the full two months' limit.

**Leave of Absence to Enter Active Duty with Armed Forces-** The insurance may be continued while the individual is serving on active duty in the Armed Forces, provided contributions are remitted as usual.

#### **Procedure in Adjusting Records**

When an individual's insurance is terminated for any reason, including death, this must be taken into consideration when your next monthly report is prepared. At that time, make an entry on the Monthly Group Insurance Plan Report.

#### **Conversion Privilege**

If an individual's insurance is terminated or reduced in accordance with the preceding sections, the individual should immediately be given a Notice of Group Life Conversion Privilege informing him/her of the privilege to convert his/her Group Life Insurance to an Individual Policy of Life Insurance. The employee may convert all or a part of his/her life insurance to an individual policy during the 31 days following termination. Further details are in the certificate. Should the employee die during the 31-day period, the Life Insurance will be payable whether or not a conversion application has been made.

The notice should be prepared in duplicate and the original given to the individual promptly upon termination of the insurance. A duplicate should be maintained for the Firm's records.

A similar procedure should be followed if an individual's insurance is reduced due to his/her attainment of an age, a decrease in earnings, a change in his/her classification, a change to a lower schedule, a change to a lower earnings multiple, or an amendment to the Plan. The individual may convert the amount of insurance

so reduced to an individual policy within 31 days after the reduction.

**NOTE: It is important to give the notice promptly but in any event within 15 days after the termination. The New York law provides that if the notice is given between the sixteenth and 90th day after the termination, the period during which the insurance may be converted will be extended for 45 days after the notice is given. If no notice is given the conversion period is extended to 90 days. Where the conversion period is extended beyond 31 days, there have been court decisions holding that the claim liability under the group policy is extended for a like period.**

#### **(Note to firms with employees in Massachusetts:**

**If a firm with employees in Massachusetts concludes that issuance of this notice meets his/her obligation under Massachusetts Law requiring an employer terminating employment of an employee to notify the employee of the date upon which his/her Group Insurance coverage should become terminated, then the notice must be given to the employee within fifteen business days of termination.)**

#### **Special Note**

If a member of the American Institute of Certified Public Accountants terminates participation in the Group Insurance Plan, the member may subscribe on a Special Plan Entrance Date to the CPA Life Insurance Plan for the amount of insurance, if any, for which the person concerned is eligible under the CPA Life Insurance Plan based on his/her attained age at the time of termination. Evidence of insurability will be required. This is not a conversion from the Group Insurance Plan.

The Special Plan Entrance Date should be the day following the expiration of the 31-day period immediately following the day on which the individual ceases to be insured under the Group Insurance Plan if such a day is the first day of the month. If such a day is not the first day of the month, such Plan Entrance Date should be the first day of the second month one or more of the days of which is included with such 31-day period.

Any interested member should write to the Plan Agent immediately on termination for the necessary forms.

# Adjustments in Amounts of Life Insurance

## Increases and Decreases

The amounts of insurance of each insured individual will be adjusted once each year on October 1, hereafter referred to as the “anniversary date,” to take into consideration any increase or decrease in earnings for each insured individual.

Each year, at the time you are ready to complete the report for October 1, please check against your payroll records and adjust the coverage of those who are entitled to higher or lower amounts. Report the changes on the report form which will be furnished to you by the Plan Agent. Since the amount of insurance is explained in the Booklet held by the insured, a new Certificate of Insurance and Booklet will not be required unless a higher multiple (e.g. from two to three-times earnings) of Insurance is adopted by the Firm or an employee applies for a higher schedule after the Firm has moved to that schedule because of the employee’s current earnings.

If an individual is not actively at work on full-time on October 1, the day his/her insurance would otherwise be increased, the effective date will be delayed until he/she returns to active full-time work. In this event, the individual’s name should not be reported on the monthly report until he/she returns to active work and this date should be shown as the “Effective Date of Change” with the remark “Not actively at work on the effective date” on the report.

Regardless of the above, if the anniversary date (October 1) is not a regular working day, the increase will become effective on such date provided the individual was actively at work on the last regular working day immediately preceding the anniversary date. Decreases in an amount of insurance will occur on October 1, whether or not the individual is actively at work on full-time.

For a Firm with fewer than 25 eligible lives (excluding the Proprietor or Partners) all eligible individuals requesting coverage,

including the Proprietor or Partners, must complete a Group Insurance Plan Medical Statement form.

For a Firm with 25 or more eligible lives (excluding Proprietor or Partners) all eligible individuals, including the Proprietor or Partners, must complete the Request for Group Insurance Plan Coverage form.

Where changes in coverage affecting individuals are the result of a firm electing to change the multiple of earnings basis, the Plan Agent will provide Prudential with a roster.

All increases are subject to the individual being actively at work. All individuals have the option of retaining his/her insurance amount under the current Schedule without need for medical evidence.

**Example:** A firm has a current Schedule maximum of \$50,000 and the employee earns \$20,000 annually. If the three-times earnings rule is in effect for that Firm, that employee is covered for \$50,000, because that is the Firm’s current Schedule maximum. If a Firm with fewer than 25 lives requests a higher Schedule of \$100,000, the employee has the option of retaining his/her current amount of \$50,000. However, since he/she may be eligible now for \$60,000 of coverage under the new Schedule applying the three-times earnings rule, he/she must submit satisfactory medical evidence in order to become covered at the higher amount. If in the event the Firm reduces to one person, the Firm is not eligible to request coverage under a higher Schedule.

If an insured individual is made a Partner or becomes the Proprietor, and the individual is insured for less than the amount provided for Partners or the Proprietor under the Firm’s schedule, the individual must submit evidence of insurability according to the “Procedures for Enrollment” for “New Hires” (on page 5). The evidence of insurability should be completed and submitted two months prior to October 1, or on the date of change, if later. All insurance increases due to a status change will be effective, subject to the necessary medical underwriting procedures, on October 1, coinciding with or next following the date the individual is made a partner or becomes a proprietor.

**Age Reductions**

Age reductions in the insurance begin at age 65 (25% of the amount of insurance in force prior to the age reduction), at age 70 (50%), at age 75 (65%) and at age 80 (75%), including any change in coverage amount due to a change in earnings or status. These reductions will occur on October 1, coinciding with or next following the insured's birthday whether or not he/she is then actively at work.

Decreases should be reported on the report for October 1. Since the reductions are explained in the Booklet, a new Certificate of Insurance will not be required. The same procedure should be followed for all age-based reductions.

# AICPA Group Insurance Plan

J. Jones & Company Consulting 456123

## ROSTER OF INSURED LIVES -- AGED AS OF OCTOBER 1, 2007

P	INSURED'S NAME	AGE CATEGORY	SOCIAL SECURITY NUMBER **	COVERAGE AMOUNT AS OF JULY 31, 2007	I	AMOUNT OF INCREASE (DECREASE)	COVERAGE AMOUNT AS OF OCT. 1, 2007	MONTHLY RATE PER \$1,000	MONTHLY BILLING
<input type="checkbox"/>		30 - 34	on file	\$50,000	<input type="checkbox"/>			\$0.07	
<input type="checkbox"/>		30 - 34	on file	\$50,000	<input type="checkbox"/>			\$0.07	
<input type="checkbox"/>		30 - 34	on file	\$50,000	<input type="checkbox"/>			\$0.07	
<input type="checkbox"/>		30 - 34	on file	\$50,000	<input type="checkbox"/>			\$0.07	
<input type="checkbox"/>		30 - 34	on file	\$50,000	<input type="checkbox"/>			\$0.07	
<input type="checkbox"/>		30 - 34	on file	\$50,000	<input type="checkbox"/>			\$0.07	
<input type="checkbox"/>		35 - 39	on file	\$50,000	<input type="checkbox"/>			\$0.09	
<input type="checkbox"/>		35 - 39	on file	\$50,000	<input type="checkbox"/>			\$0.09	
<input type="checkbox"/>		35 - 39	on file	\$50,000	<input type="checkbox"/>			\$0.09	
<input type="checkbox"/>		40 - 44	on file	\$50,000	<input type="checkbox"/>			\$0.10	
<input type="checkbox"/>		40 - 44	on file	\$50,000	<input type="checkbox"/>			\$0.10	
<input type="checkbox"/>		40 - 44	on file	\$50,000	<input type="checkbox"/>			\$0.10	
<input type="checkbox"/>		40 - 44	on file	\$50,000	<input type="checkbox"/>			\$0.10	
<input type="checkbox"/>		40 - 44	on file	\$50,000	<input type="checkbox"/>			\$0.10	
<input type="checkbox"/>		40 - 44	on file	\$50,000	<input type="checkbox"/>			\$0.10	
<input type="checkbox"/>		40 - 44	on file	\$50,000	<input type="checkbox"/>			\$0.10	
<input type="checkbox"/>		40 - 44	on file	\$50,000	<input type="checkbox"/>			\$0.10	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		45 - 49	on file	\$50,000	<input type="checkbox"/>			\$0.15	
<input type="checkbox"/>		50 - 54	on file	\$50,000	<input type="checkbox"/>			\$0.23	
<input type="checkbox"/>		50 - 54	<input type="text" value="-- --"/>	\$50,000	<input type="checkbox"/>			\$0.23	
<input type="checkbox"/>		50 - 54	on file	\$50,000	<input type="checkbox"/>			\$0.23	
<input type="checkbox"/>		55 - 59	<input type="text" value="-- --"/>	\$50,000	<input type="checkbox"/>			\$0.43	
<input type="checkbox"/>		60 - 64	on file	\$50,000	<input type="checkbox"/>			\$0.76	

<b>Total Number of Insureds</b> <i>Please complete</i>	<b>Lives</b>	<b>Coverage</b>
<b>July 31, 2007</b>	<b>69</b>	<b>\$3,450,000</b>
<b>Additions (approved coverage from page 4)</b>		
<b>Increases (Decreases) (from Line C)</b>	<b>N/A</b>	
<b>Terminations (from page 4)</b>		
<b>October 1, 2007</b>		

**A - Subtotal increases (decreases)**  
 **B - Total increases from page 4**  
 **C - Total increases (decreases) (A + B)**

**D - Total insurance charges above (total montly billing items)**   
**E - Total charges for additions (from page 4)**   
**F - Net charges/credits (from page 4)**

**TOTAL PAYMENT (D + E +/- F) PLEASE REMIT THIS AMOUNT WITH REPORT**



# Lost Certificates, Supplies and Records

## **Lost Certificate**

If an insured individual loses or destroys his/her certificate, report the matter to the Plan Agent. A duplicate certificate will be forwarded.

## **Supplies**

It will be to your advantage to keep an accurate record of all Group Insurance forms to guard against exhausting the supply. When additional supplies are needed, please order them on the "Order Form for Supplies" specifying the form number, name of form, and quantity desired. (Attach a sample if convenient.)

Please note that a list of forms available online are indicated at the beginning of this manual. These forms may be downloaded for use at any time.

## **Group Insurance Records**

Your Group Insurance records will consist of copies of the Monthly Group Insurance Plan Report Forms and correspondence with the Plan Agent. It is suggested that the monthly reports and correspondence be kept in a folder.



# Monthly Insurance Report

## Preparation of Monthly Group Insurance Plan Report

A firm may elect to pay contributions and report changes on a quarterly basis rather than monthly. If your firm has chosen the quarterly basis, please refer to page 21 for further instructions.

The monthly report form is to be completed as of the first of each calendar month and will take into consideration additions (individuals who have provided satisfactory evidence of insurability and those who were issued guaranteed amounts and who were verified that their insurance became effective including rehired individuals), and terminations which became effective after the first of the preceding calendar month to and including the first of the current calendar month. The monthly contribution for the current month is payable in advance based on the total volume of insurance in effect on the first day of the month. Insert the proper dates in the spaces provided at the top of the form located below the preprinted firm name and address data. For example, the report being prepared as of December 1, 2007 would be dated as follows, "Changes Occurring after November 1, 2007 to and including December 1, 2007." If there are no changes during the current month, proceed to line 4 of the form (Total lives - current report). The amounts will be the same as reported on your previous report.

### Additions

Only include individuals for whom you have received notification of acceptance of the requested coverage and those who were issued guaranteed amounts. Please enter the Name, Certificate Number, Effective Date, and Amount of Insurance in the section labeled Report of Additions provided on the report form - line 15.

### Terminations

All individuals whose employment has been terminated up to and including the first of

the reporting month should be entered in the Report of Terminations section of the monthly report. Please list Name, Certificate Number, Date Terminated, and Amount of Insurance - line 16.

### Summary of Total Lives and Insured Amounts:

#### 1. Totals in Force Per Ending Balance of Last Report:

Transfer the total number of lives in force from line 4 of the preceding months report onto line 1 of the current report and the total insurance from line 8 of the last report to line 5 of the current report.

#### 2. Plus Additions:

This represents the total lives for each age bracket listed and the amounts of insurance in thousands of dollars for each age bracket listed.

Copy the total additional number of lives recorded on line 15 to the corresponding age brackets on line 2. Record the total amount of additional insurance in thousands of dollars recorded on line 15 to line 6 for each age bracket. The sum total of insurance recorded on line 6 should agree with the total amount recorded under "Report of Additions" - line 15.

#### 3. Less Terminations:

This represents the total lives for each age bracket listed and the amounts of insurance for each age bracket reported.

Copy the total number of lives terminated from line 16 to the corresponding age brackets on line 3.

Record the total amount of insurance terminated in thousands of dollars recorded on line 16, to the appropriate age brackets on line 7. The sum total of insurance recorded on line 7 should agree with the total amount recorded under "Report of Terminations" - line 16.

**4. Total Number of Lives in Force on Current Report:**

This represents the total number of lives for each age bracket which are in force on the current report due date. This is determined by adding line 2 (i.e., Additions) to line 1 (i.e., Total lives - last report) and subtracting line 3 (i.e., Terminations) with the result recorded on line 4 (Total lives - current report).

**5. Total Amount of Life Insurance in Thousands of Dollars from last report:**

Represents the total amount of insurance in thousands of dollars for each age bracket listed which is in force on the last report as indicated on line 8. These figures are determined by adding the additional insurance (i.e., line 6) by respective age bracket to line 5 (Total insurance - last report) and subtracting line 7 (i.e., Terminated insurance) with the result recorded on line 8 (i.e., Total insurance - current report).

**6. Additional Insurance:**

This represents the total amounts of insurance in thousands for each age bracket listed. This should coincide with the totals recorded on line 15.

**7. Terminated Insurance:**

Represents the total amounts of insurance terminated in thousands of dollars and should coincide with the totals recorded on line 16.

**8. Total Insurance - Current Report:**

This represents the total insurance recorded for the current report, derived by adding the additional insurance (i.e., line 6) by respective age bracket to line 5 (Total insurance - last report from line 8 of the last report) and subtracting line 7 (i.e., Terminated insurance) with the result recorded on line 8 (i.e., Total insurance - current report).

**9. Current Rate Per \$1,000 (Life and Accidental Death and Dismemberment Combined):**

No entry is required on line 9 since the contribution rate is pre-printed on the report form.

**10. Sub-Total:**

Multiply the amount shown in line 8 by the rate shown in line 9 to obtain the sub-total under each age bracket. Record on line 10.

**11. Add Special Charges: - Please see instruction No. 12.**

**12. Deduct Special Credits:**

**Note:** It is expected that all additions (including rehired employees) and terminations will be reported on the monthly report form at the proper time. However, if for any reason an item is not reported at the proper time, it will be necessary to calculate an adjustment in the insurance charge. Any such adjustment should be included under "Add Special Charges" line 11 or "Deduct Special Credits" line 12 and the item explained on the report in the space provided for notations. For example, suppose an individual's insurance became effective on November 1, 2007 in the amount of \$20,000, and his/her name was not included on the November 1, 2007 report. This oversight is discovered when completing the December 1, 2007 report. Assuming that the individual was in the 40-44 age bracket with a rate of \$.10 per \$1,000, the insurance charges paid on November 1 were \$2.00 too low. Consequently, an entry of \$2.00 should be included under "Add Special Charges" item on the December 1 report and on the report form, a notation similar to the following should be included: "John Jones' coverage became effective November 1, 2007. Overlooked."

Of course, "John Jones" name should be listed under "Report of Additions." Note that the insurance charge for December 1 is not included under "Add Special Charges" since his amount of insurance would be included under line 6 and the December 1 insurance charge for this individual would automatically be included in line 10 (Sub-Total).

(If, in the preceding example, the insurance had terminated effective November 1, 2007, the \$2.00 item would be entered opposite “Deduct Special Credits” and notation on the front side would be similar to the following: “John Jones terminated November 1, 2007. Overlooked.”)

If, in accordance with Section 10.3 of the Plan, the Trustee requests a Subscriber to pay an additional amount into the reserve, the Subscriber will be informed of the amount and will be requested to include the amount under the “Add Special Charges” item on the next monthly report.

**13. Net Insurance Charge for Current Month:**

Line 10, adjusted by any amounts shown in line 11 and 12.

**14. Sum Total of All Amounts — Line 13:**

**The monthly report should be complete, and the original—together with a check in the amount indicated in Item 14—should be made payable to “AICPA Insurance Trust” and forwarded in the return envelope provided to American Institute of Certified Public Accountants Insurance Trust, Aon Insurance Services, Plan Agent, P.O. Box 2290, Carol Stream, Illinois 60132-2290, promptly each month and in no case later than the tenth of the month. Please duplicate and retain a copy of the monthly report in your files.**

If insufficient spaces have been provided on the report to include all entries under “Report of Additions” or “Report of Terminations” use the space provided on the front or use additional copies of the report and fasten together, completing the “Summary of Total Lives and Insured Amount” on *one* form only.



# Quarterly Insurance Report

## Quarterly Reports

The following applies to those firms that elect to pay contributions and submit reports on a quarterly basis rather than monthly.

The regular monthly report form can be used with the understanding that where the word “monthly” appears, in this instance it will mean “quarterly.” Contributions are payable quarterly in advance. Complete this report on each of the following quarterly dates: January 1, April 1, July 1 and October 1.

**NOTE:** Since all eligible individuals become insured in accordance with Section 5 of the Insurance Plan and all terminations become effective in accordance with Section 9 and 9A of the Group Insurance Plan, an adjustment must be made so that overpayments or underpayments do not occur for changes that prevail during the quarterly period. For example, if an individual becomes insured on the first day of February, a contribution is payable for February and March only. A contribution for January would not be payable. Therefore, a credit for 1/3 of the quarterly contribution should be shown on line 12 of the quarterly report. In another example, if an individual has his/her insurance terminated on the first day of February, a contribution is payable for the month of January but not for February or March. Therefore a debit for 1/3 of the quarterly contribution should be shown on line 11 of the quarterly report.

The procedures explained for the completion of the monthly report on the previous page are to be followed when completing the quarterly report. The only differences will be:

1. The dates to be inserted at the top of the report will be quarterly, such as “After January 1, 2007 to and including April 1, 2007.”
2. The rates to be inserted on line 9 will be the quarterly rates (three times the monthly rate). Please cross out the monthly rates and insert the quarterly rates.

**After the quarterly report has been completed and a duplicate made for your files, send the original report in the return envelope provided with a check in the amount indicated in Item 14 to: American Institute of Certified Public Accountants Insurance Trust (or AICPA Insurance Trust), Aon Insurance Services, Plan Agent, P.O. Box 2290, Carol Stream, Illinois 60132-2290.**

The report should be submitted promptly at the beginning of each quarter, but no later than the 10th day of the first month of the quarter. Retain the duplicate copy of the report in your files.

By including an individual in the additions section the Firm certifies that the amount of coverage is supported by the individual's earnings and/or position as of the date of request for coverage.

## Electronic Reporting

As an alternative to submitting a firm's October 1st roster and subsequent changes to the roster using paper, an innovative Program has been specifically designed to offer a simple, reliable and convenient way for firms to retrieve and submit both their October 1st Plan Report and Monthly Reporting Forms via an electronic medium.

When a firm elects to enroll in this program, the firm's October 1st Plan report and subsequent reporting forms are made available to the firm's administrator as easy-to-use Excel spreadsheets on a secure Internet website. The firm administrator will be able to retrieve the reporting forms from the secure website, make any changes/adjustments or indicate that no changes need to be made to the Firm's roster. If changes are made, the Firm administrator will need to return the amended reporting forms to the Plan Agent for processing via the secure website.

Once changes have been electronically submitted, the firm's administrator will need to remit a printer-friendly coupon and corresponding contribution payment to the Plan Agent to ensure that the Group Insurance Plan coverage continues uninterrupted. The firm's administrator will be notified if there are any problems.

To enroll in the Program, log on to [www.cpai.com/giperp](http://www.cpai.com/giperp).

If you have any questions, you may contact Aon Insurance Services, the Plan Agent, at 1-800-223-7473.



# Death Claim Procedures

## **Completion of Group Life Insurance Claim Form**

If the insurance is in force, the form should be completed as soon as possible and the Employer representative should be indicated on reverse of the form (item 40). A certified copy of the death certificate should be submitted with the form.

If the designated beneficiary(ies) predeceases the insured, certified copy(ies) of the death certificate(s) should be submitted. See the "Estate" paragraph (as follows) for procedure.

## **Submitting Claim**

The completed Group Life Insurance Claim Form and the individual's certificate should be forwarded to the Plan Agent.

## **Identity**

It is important before submitting the claim that you be satisfied as to the identity of both the deceased and the beneficiary(ies). Should there be any doubt as to the identify of either, submit all available information with the claim papers. If it is found that the individual's name on the death certificate differs from that appearing on the insurance records, an explanation should be submitted.

## **Minority**

If the beneficiary is not of full legal age under the laws of the state in which he or she resides, payment will be made to a legally appointed guardian on presentation of a court certificate showing such appointment, which is to be filed with the claim papers. If for any reason a guardian is not appointed, the claim papers together with full information should be submitted to the Plan Agent.

## **Assignments**

If the insured has executed a collateral assignment, a statement from the assignee should be submitted indicating the amount of the insured's indebtedness to the assignee. A copy of the assignment, if not attached to the policy, should also be submitted.

If the insured has executed a gift assignment, payment will be made to the persons designated

as beneficiary(ies) by the assignee. (Usually the assignee is also the beneficiary.) If the assignee should predecease the insured, refer to the instructions under "Estate."

If a designated beneficiary has executed an assignment of all or part of the proceeds to a funeral home, submit the original copy of the assignment along with a copy of the funeral bill.

## **Estate**

If the designated beneficiary is the estate of the insured, the claim should be accompanied by a court certificate showing the appointment of the executor or administrator of the estate.

If there is no beneficiary surviving at the death of the insured, the proceeds will be payable to the estate of the insured. If the beneficiary was living at the death of the insured, but has subsequently died, benefits are payable to the estate of the beneficiary. If both the insured and beneficiary have died in a common accident, make no commitment as to payment. Both death certificates should be submitted with the claim along with any information known about the accident.

If the insured executed a gift assignment, and the assignee has predeceased the insured, the payee will be the estate of the assignee, unless the assignee has designated otherwise through the beneficiary designation.

Certified copies of the death certificates of the deceased beneficiary and/or assignee should be submitted along with a certified copy of the court order appointing an executor or administrator for the estate of the insured, assignee or beneficiary as appropriate.

## **Facility of Payment**

When a claim is made in accordance with the terms of the above provision, receipted bills should be secured from the person who incurred expenses for the deceased's burial and submitted with claim papers to the Plan Agent. Assuming the claim is in order, a check in the amount of the receipted bills, or \$250, whichever is less will be issued. The remaining

amount of insurance will be deposited in the beneficiary's name to Prudential's Alliance Account® (see below). For example, if an employee was insured for \$4,000 and burial expenses of \$200 were paid by someone other than the beneficiary, this individual could be reimbursed for this expense provided he/she presented a claim prior to the date the beneficiary was paid. The remaining \$3,800 would be paid to the beneficiary.

### **Payment of Claim**

Upon receipt of the properly completed claim form and certificates, a Prudential Alliance Account® will be opened in the name of the beneficiary on the day the claim is paid. This account will begin earning interest immediately and beneficiaries can access the account as soon as it opens. They can leave the money in the account, withdraw the entire amount or write checks against the balance (\$250 minimum). Each beneficiary will receive an Alliance Starter Kit and an initial supply of personalized checks. Alliance is not available for payments less than \$5,000, or to individuals residing outside the U.S. and its territories and certain other payments. These will be paid in a single sum check. Terminally ill patients who receive a portion of their insurance benefits under the Accelerated Benefit Option can also use the Alliance Account.

### **Extended Death Benefit During Total Disability**

The "Extended Death Benefit During Total Disability" provision applies to individuals insured under the Group Life Insurance Contract.

Should the employee become totally disabled (prevented by bodily injury or disease from performing any work or engaging in any occupation for remuneration or profit) before the October 1 coinciding with or next following his/her 60th birthday, the individual may be entitled to Life Insurance protection without payment of contributions. This benefit begins when Prudential receives due written proof that the conditions, as described in the certificate and booklet, have been met. If you believe an

individual would be eligible for consideration as a totally disabled employee, please forward the facts to the Plan Agent.

### **Installment Payments During Total Disability**

An insured individual who is less than age 50 on the immediately preceding October 1 may be eligible for Installments During Total and Permanent Disability. The Installments During Total and Permanent Disability benefit is not in effect for a firm participating in the 1947 Schedule of Insurance.

If a claim is accepted under the "Extended Death Benefit During Total Disability" provision described in the certificate and booklet, monthly installments will begin if the individual (a) was continuously insured for this Benefit for a period of at least 12 months prior to the commencement of such disability, and (b) was disabled from the time of such commencement of disability continuously for a period of at least 9 months. The first monthly installment for an accepted claim is due when Prudential receives said proof of total and permanent disability or nine months after the commencement of total disability, whichever is later, and subsequent installments are due on the corresponding day of each month thereafter. If you believe an individual would be eligible for Installment Payments During Total Disability, please forward the facts to the Plan Agent.

(This "Payments Due Disabled Employees" provision is also described in Section 7-A of the Group Insurance Plan and in the certificate and booklet.)

### **Accelerated Benefit Option**

An insured individual who is terminally ill with a life expectancy of six months or less may choose to receive a portion equal to the lesser of 75% of his/her term life insurance or \$375,000. This Option is automatically available at no cost to the individual. This Option does not apply to dependent coverage under the Group Insurance Plan.

However, any portion elected may be reduced,

if within 6 months, after proof of terminal illness is received, an age reduction to the life insurance benefit would otherwise occur. In such case, the portion elected may not exceed the amount of insurance after applying the reduction.

In order to receive benefits under this Option, the insured individual will be required to complete an Accelerated Benefit Option Claim Form and Accelerated Benefit Option Attending Physician's Certification, each obtainable either online or from the Plan Agent.

Any benefits not paid in advance under this Option will remain as death benefits payable to the insured's beneficiary.

The insured individual is not eligible to use the Accelerated Benefit Option if any of the following applies:

1. The insurance has been assigned.
2. A law requires the insured to use this Option to meet the claims of creditors, whether in bankruptcy or otherwise;
3. A government agency requires the insured individual to use this Option in order to apply for, get or keep a government benefit or entitlement.

As any payment under this Option may be taxable or may affect one's eligibility for Medicaid, appropriate professional advice should be sought by the insured before electing it. Once the insured individual elects this Option, that individual will no longer be eligible for any increased amounts of term life insurance under the Group Insurance Plan.

### **Accidental Death and Dismemberment Claim Procedure**

#### **Death by Accidental Means**

If death of the individual results from accidental means within 90 days of the accident, consideration will be given to the payment of Accidental Death Benefits when the Group Life Claim papers are received, subject to the limitations appearing in the certificate and your Group Insurance Booklet. Any supporting data

available should be forwarded with the Group Life Claim papers. If there are any newspaper accounts of the accident, they should accompany the other papers, inasmuch as they will greatly facilitate prompt settlement of Accidental Death Claims. The names and dates of the newspapers from which the clippings are taken should, of course, be shown.

#### **Dismemberment Benefits**

In the event of loss, through accidental means, of one or more members of the body or the sight of either or both eyes, within 90 days of the accident and in the manner prescribed by the certificate and your Group Insurance Booklet, dismemberment benefits are payable to the insured.

Proof of loss should be furnished on the Group Accidental Injury Claim Form. This form should be completed in duplicate and forwarded together with the certificate to the Plan Agent.

Attention is especially directed to the necessity of furnishing the Plan Agent written notice of any injury upon which a claim may be based, at the earliest date possible.

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Prudential's Alliance Account is a registered trademark of The Prudential Insurance Company of America.

Open Solutions BIS, Inc. is the Administrator of the Prudential Alliance Account Settlement Option, a contractual obligation of The Prudential Insurance Company of America, located at 751 Broad Street, Newark, NJ 07102-3777. Check clearing is provided by JPMorgan Chase Bank, N.A. and processing support is provided by Integrated Payment Systems, Inc. Alliance Account balances are not insured by the Federal Deposit Insurance Corporation (FDIC). Open Solutions BIS, Inc., JPMorgan Chase Bank, N.A., and Integrated Payment Systems, Inc. are not Prudential Financial Companies.

Policy Number G-8400

AICPA 4124

Ed. 10/07



**Prudential**



American Institute of  
Certified Public  
Accountants

# Supplement to Administration Manual for Participating Firms

For firms electing Dependents  
Group Life Coverage



Prudential



# Dependents Group Life Insurance

## Individuals to Whom Available

Dependents Group Life Insurance is available for the dependents of each insured individual at a firm if:

- (a) the individual (proprietor, partner or employee) is insured under the Group Insurance Plan.
- (b) the insured individual is not entitled to receive any disability benefits under the Group Insurance Plan.

## Eligible Dependents

The dependents who qualify for insurance are the insured's spouse and any unmarried children who are less than 21 years old. An insured's children include stepchildren, legally adopted children and foster children, provided they depend on the insured for support and maintenance.

The following are not considered eligible:

- (a) a person after that person has ceased to be a spouse of the insured by reason of divorce or annulment; and
- (b) any dependent while on active duty in any military, naval or air force of any country; and
- (c) any dependent who is also an employee of your firm and is insured under the Group Insurance Plan.

While both a husband and wife are covered under the Plan as employees of any participant, only one will be considered to have qualified dependents.

**IF A DEPENDENT, OTHER THAN A NEWBORN CHILD, IS CONFINED FOR MEDICAL CARE OR TREATMENT IN ANY INSTITUTION OR AT HOME ON THE DAY HE OR SHE WOULD NORMALLY BE COVERED, THE INSURANCE FOR THAT PARTICULAR DEPENDENT WILL BECOME EFFECTIVE UPON FINAL MEDICAL RELEASE FROM ALL SUCH CONFINEMENT.**

## Effective Date of Dependents Group Life Insurance

The dependent's insurance will become effective for each individual on the later of (a) the date his/her firm elects this coverage or (b) the date that the individual's request for life

insurance becomes effective. In no event will the dependent's insurance become effective unless the individual is insured under the Group Insurance Plan.

## No Individual Enrollment Required

The individual is not required to enroll for the dependent's insurance. He/she will receive a Dependents Group Life Insurance hanger along with his/her booklet and certificate, as evidence of this coverage. If the Firm elects this coverage, all insureds will be covered for Dependents Group Life Insurance except that a spouse is not considered to have any qualified dependent children while both the husband and wife are insured for Dependent Term Life Insurance under the Group Policy.

## Beneficiary

The employee is the beneficiary. Except, if the employee is not living at the time of death of the dependent, payment will be made to the estate of the deceased dependent, except that Prudential has the option of making payment to any one of more of the following surviving relatives of the deceased dependent: wife, husband, mother, father, child (or children), brothers or sisters.

## Termination of Dependent's Insurance

The dependent's insurance will terminate when the employee's personal insurance is terminated.

The insurance for an individual dependent will terminate under any of the following conditions:

### Child:

1. Attainment of age 21.
2. Marriage

### Spouse:

1. Termination of marriage by annulment.
2. Termination of marriage by divorce.

The insurance for an individual dependent will also terminate if:

- a. The dependent is an employee of any covered

firm and is insured under the Policy as an employee.

- b. The dependent goes on active duty in any military, naval or air force of any country.

### **Conversion Privilege of Spouse**

When the life insurance on the employee's spouse is terminated in accordance with the preceding section, the employee should be informed of the privilege to convert the Dependents Group Life Insurance to an individual policy of life insurance without submitting medical evidence. A Notice of Group Life Conversion Privilege should be prepared in duplicate. The original should be given to the employee promptly upon termination of the Group Insurance. A copy should be retained by the Firm as a record that notice was given.

A similar conversion is available if the employee's spouse's amount of insurance is reduced due to attainment of an age, change in classification or amendment to the Plan.

### **Rehired Individuals**

For insurance purposes rehired individuals are to be treated as new individuals. The provision shown in your administration manual regarding the treatment of an individual's personal life insurance will apply to the Dependents Group Life Insurance also.

**NOTE: In no event will the Dependents Group Life Insurance become effective prior to the date the individual's group insurance is effective.**

### **No Entry Required on Group Insurance Report**

Do not make any entries for Dependent Group Life Insurance on your Monthly Group Insurance Plan Report.

### **Coverage in Effect**

Upon the death of a dependent, the firm should make certain that the dependent's coverage was issued and that it was in effect when death occurred.

### **Completion of Claim Form**

If the insurance is in force, Section C2 of the Prudential Group Life Insurance Claim Form should be completed immediately. A death certificate must accompany the Claim Form when submitted. If payment is to be made to the dependent's estate, a court certificate showing the appointment of the executor or administrator of the estate should be submitted.

### **Identity**

It is important that you be satisfied as to the identity of the deceased dependent. Should there be any doubt about the identity, submit all available information with the claim papers.

### **Payment to Beneficiary**

A single sum payment will be made to the employee or other beneficiary if the death benefit is less than \$10,000. If \$10,000 or more, the benefit amount will be deposited in the beneficiary's name to Prudential's Alliance Account.<sup>®</sup> That procedure is described previously in the "Death Claim Procedures" section of this manual.

### **Submission of Claim for Payment**

All of the claim papers should be submitted to the Plan Agent.

Do not submit insured's certificate of insurance.



Policy Number G-8400

AICPA 4124 Ed. 10/07

