

Allstate Benefits



Products





Voluntary Benefits

The Value to Employers

Mitigates impact of health care reform with improved plan design and cost reallocation

Provides medical plan savings and “bends the cost curve” by promoting wellness and prevention

Helps employee retention and engagement by providing the financial support to pay out-of-pocket expenses

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Promotes consumerism, health care accountability and financial responsibility among employees

May curtails unscheduled absences and 401(k) plan raiding to pay for unexpected medical expenses



Voluntary Benefits

The Value to Employees

Empowers employees to make their own health care decisions and have control of their finances

Many benefits are not likely to be subject to income tax, however, a tax expert would need to be consulted.*

Benefits are easy to understand and utilize

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Guaranteed Issue allows employees to enroll during open enrollment without proof of good health (for many benefits)

Wellness programs promote early detection and prevention

*Disability benefits are taxed if paid with pre tax dollars If premiums are paid by employer or through cafeteria plan, benefits may be taxable to the extent benefits exceed incurred medical expenses



Voluntary Benefits

Why Group Benefits?

Situated In One State

Employees receive the same plan design and pricing regardless of the state they work and/or live in*

Flexible Situsing Rules

Option to situs a case in a state other than the corporate headquarters (conditions apply)

Group Pricing

Group products allow for pricing not available on an individual product basis

Benefits Specialist

Must be licensed and appointed in accordance with state laws

**This is true for most products in most states.*



Group Critical Illness



Men have a
1 in 2 chance of
developing cancer
in their lifetime;
women have a
1 in 3 chance*



About every
29 seconds an
American will suffer
a coronary event**



795,000 people in
the U.S. will have a
stroke this year, an
average of one
every 53 seconds**

**American Cancer Society, Cancer Facts and Figures, 2012*

*** Heart disease and stroke statistics—2012 update: a report from the American Heart Association.*



Group Critical Illness 2

Coverage

Provides a lump-sum cash benefit to help cover out-of-pocket expenses associated with a critical illness

BENEFITS

Initial CI

- Heart Attack
- Stroke
- Coronary Artery Bypass Surgery
- Major Organ Transplant
- End Stage Renal Failure
- Premium Waiver

Supplemental CI

- Advanced Alzheimer's
- Advanced Parkinson's
- Benign Brain Tumor
- Coma
- Complete Blindness
- Complete Loss of Hearing
- Paralysis
- Occupational HIV*

Cancer CI

- Invasive Cancer
- Carcinoma in situ

Second Event CI

Wellness

**Available for health occupations only*



Group Critical Illness 2

Payout



100% PAYOUT

- Heart attack
- Stroke
- Invasive Cancer
- Major organ transplant
- End stage renal failure
- Paralysis
- Benign brain tumor
- Coma
- Blindness*
- Loss of hearing*
- Occupational HIV**

25% PAYOUT

- Coronary bypass surgery
- Advanced Alzheimer's
- Advanced Parkinson's
- Carcinoma in situ

Premium Waiver

Pays employees premium when disabled

**Complete loss*

***Available for health related occupations only*



Group Critical Illness 2



Features

- Guaranteed Issue* or Simplified Issue**
- Coverage from \$10,000 up to \$100,000
- Medical coverage not required to offer product in most states
- Premiums based on age, situs state, and tobacco use
- HSA compliant
- Section 125 qualified
- Up to a 3-year rate guarantee**

**Down to 40 employees enrolled and 200 or more lives in group*

***5 lives; with 5 employees enrolled*

****Based on company size and participation*



Group Critical Illness 2



Features

- Average annualized premium = \$421*
- Covered dependents receive 50% of the basic benefit amount and 100% of Wellness
- Coverage effective on issue date
- Benefits paid directly to insured, unless assigned to someone
- Coverage is portable
- Premiums do not increase with age
- Benefit amounts increase each policy year (years 2-5)**

***Based on Allstate Benefits reporting*

***Only if Increasing Critical Illness Benefit is included with the base policy*



Group Critical Illness 2

Claim Example

Benefit Coverage Includes: Base policy benefits, Optional Second Event Initial Critical Illness Benefit and Wellness

Benefit Amount: \$20,000



Employee chooses
**one of three
approved plans**



6 months later the
employee suffers a heart
attack and is hospitalized
for 3 days.

3 years later the employee suffers
another heart attack, is rushed to the
emergency room by ambulance, is
visited by the doctor and examined, and
is hospitalized for 3 days. The employee
is expected to make a full recovery.

Four months later the employee is
admitted to the hospital for 3 days
and undergoes Coronary Artery
Bypass Surgery.

Our Critical Illness insurance policy
would provide the following:

Wellness	\$ 50
Heart Attack	\$ 20,000
Second Event	\$ 20,000
Bypass Surgery	\$ 5,000

Total cash benefits paid:

\$45,050

The employee is expected
to make a full recovery



This is an example only, and may not reflect the employee's experience.



Group Accident



Americans visit
the emergency room
42 million times a year due
to unintentional injuries*



Almost two-thirds of disabling
injuries in the U.S are not work-
related and not covered by
Workers' Compensation*

**National Safety Council, Injury Facts, 2009*



Group Accident 1

Coverage

Pays cash benefits for expenses associated with an accidental injury; can help protect hard-earned savings should an on- or off-the-job accidental injury occur

BENEFITS

Base Benefits

- Ambulance
- Hospital Confinement
- Accidental Death*
- Medical Expenses
- Dislocations/Fractures
- Outpatient Treatment
- Intensive Care
- Plus more

Employee Riders

- Benefit Enhancement Provides 24 additional benefits
- Off-the-Job and On- and Off-the-Job accident disability**
- Off-the-Job and On- and Off-the-Job accident and sickness disability*

Spouse Riders

- Off-the-Job and On- and Off-the-Job accident disability
- Off-the-Job and On- and Off-the-Job accident and sickness disability

**Common Carrier Accidental Death pays 5Xs the Accidental Death Benefit*

**Employee only*



Group Accident 1

PROTECTION solutions

Are you protected from life's accidents?

There are things that you or your family do daily that may lead to an accidental injury and out-of-pocket expenses.

SPORTS TRAVEL VACATION

More than half of the 7 million sports and recreation-related injuries that occur each year are sustained by youth between ages 5 and 24.¹

¹ Premier the One You Love, Sports Injuries, 2010, Centers for Disease Control and Prevention, National Center for Injury Prevention and Control

GROUP ACCIDENT INSURANCE
Best in Benefits Series™

Allstate
Benefits

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Features

- Guaranteed Issue* or Simplified Issue**
- 24-hour on- and off-the-job coverage
- High and low plan options
- Premiums based on situs state
- Premiums are not age-banded
- HSA Compliant
- Section 125 qualified
- Pays in addition to any other benefits

**Participation requirements must be met*

***Base plan + Accident and Sickness Riders only*



Group Accident 1



Features

- Average annualized premium = \$311*
- Accidental Death and Common-Carrier Death from Accident coverage included
- Outpatient Physician's Treatment is paid for any reason
- Coverage effective on issue date
- Benefits paid directly to insured
- Coverage for employee, employee+spouse, employee+child(ren), or entire family
- Coverage is portable

**Based on Allstate Benefits reporting*



Group Accident 1

Claim Example

Benefit Coverage Includes: Includes 2 units each of the base policy benefits and Benefit Enhancement Rider



Employee chooses 1 of 2
**Incremental
Benefits Offered**



2 years later the employee is going out to dinner, is in a car accident, and is air lifted to the hospital

Employee incurred expenses for services in and out of the hospital. In addition to what major medical insurance paid, our accident benefits paid for:

Air Ambulance Service	\$ 600
Surgery	\$2,000
Medicine	\$ 10
Emergency Room	\$ 200
Hospitalization	\$1,000
3-Day Hospital Stay	\$ 600
Physician Treatment	\$ 100
Outpatient Physician	\$ 50

With Accident Coverage

Additional dollars to pay for copay, deductible and other costs

Benefits paid: \$4,560



Without Accident Coverage

No additional dollars to pay for copay, deductible or other out-of-pocket costs

Benefits paid: \$0

This is an example only, and may not reflect the employee's experience.



Group Disability



More than 1 in 4 of today's 20 year-olds will become disabled before reaching age 67*



68% of employees live from paycheck to paycheck, without enough savings to cushion the financial impact a disability may cause**



The average monthly benefit paid by Social Security Disability Insurance (SSDI) for 2011 was \$1,110.50***

* Social Security Administration, Fact Sheet, July 30, 2012

** American Payroll Association, "Getting Paid in America" Survey, 2008

*** Social Security Administration, Annual Statistical Report on the SSDI Program, 2011



Group Disability

MyLifeline Coverage

Can help protect against the financial stress of a disability including day-to-day living expenses, insurance gaps and deductibles, and long-term savings

BENEFITS

Base Benefits

- Pregnancy^{*}
- Total Disability
- Partial Disability
- Recurrent Disability
- Waiver of Premium
- Organ Donation^{**}

Riders

- Return of Premium Due to Layoff
- On-the-Job Accident Disability
- Family Medical Leave and Doula Services
- Increasing Benefit Period
- Survivor and Accident^{***}

Optional

- Mental and Nervous Disorder
- Portability

**Must be due to disability and includes a 9-month waiting period*

***If disabled due to organ donation*

****Allstate Auto benefit*



Group Disability

Is your income protected?

What would you or your family be able to live without if you were disabled and lost your ability to earn a paycheck?

CAR GROCERIES HOME

65% of working Americans say they could not cover normal living expenses even for a year if their employment income was lost; 38% could not pay their bills for more than 3 months.¹

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the right coverage • your future • great choice

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MyLifeline Features

- Guaranteed Issue*
- Benefit amounts from \$400 to \$6,000; up to 60% of gross income (\$100 increments)**
- Benefit periods of 3, 6, 12 and 24 months
- Elimination periods of 0/7, 7/7, 14/14, 30/30, 90/90 and 180/180
- Coordinates with employer-provided disability plan to avoid over-insurance and/or increased absenteeism

**Minimum of 25 employees, with 10 enrolled*

*** Other individual or group disability insurance received will lower monthly benefit*



Group Disability

PROTECTION solutions

Is your income protected?

What would you or your family be able to live without if you were disabled and lost your ability to earn a paycheck?

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65% of working Americans say they could not cover normal living expenses even for a year if their employment income was lost; 38% could not pay their bills for more than 3 months.¹

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the right coverage • your future • great choice

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MyLifeline Features

- Average annualized premium = \$?
- Provides a monthly benefit for disabling off-the-job injuries or sickness
- No maximum issue age
- Benefits paid directly to insured
- Portability coverage is optional and can be added for an additional premium
- Premiums are unisex, unismoker, issue-age banded and based on industry class, elimination period and benefit period

**Based on Allstate Benefits reporting*



Group Disability

Claim Example

Benefit Coverage Includes: Base policy benefits



Jane and John choose disability coverage offered through their
Employer

Jane chooses \$3,000 in disability coverage. 8 months later she suffers a disabling injury, is air lifted to the local hospital emergency room, hospitalized (3 days), and is disabled for 6 months.¹

John declines coverage. 6 months later he suffers a disabling back injury, is rushed to the hospital by ambulance, treated, hospitalized (2 days), and is disabled for 4 months.¹

In addition to Jane's medical coverage our disability insurance provided the following:

**Total Disability
Monthly Benefits: \$3,000**



John does not have disability coverage. His medical coverage will pay for a portion of his hospital expenses, but his monthly expenses while out of work will be paid out of his own pocket.

Total Disability Monthly Benefits: \$0

This is an example only, and may not reflect the employee's experience.

¹ This example assumes that Jane and John have medical insurance and did not receive disability income from other sources during the same time period.



Group SHOP



Almost 8% of
Americans had an
overnight hospital
stay in 2009*



4.9 days:
The average
length of a
hospital stay*



\$15,734:
The average cost per
hospital stay in the
United States**

* CDC, 2010 National Health Interview Survey

** International Federation of Health Plans, 2011 Comparative Price Report



Group SHOP

Coverage

Supplements existing medical coverage with cash benefits to help pay for out-of-pocket hospital expenses

BENEFITS

Base Benefits

- Initial Hospital Confinement
- Daily Hospital Confinement
- Outpatient Emergency Accident
- Outpatient Physician's Treatment
- Inpatient Physician's Treatment
- Non-Local Transportation
- Ambulance Services
- Intensive Care
- Surgery
- Anesthesia
- At Home Nursing

Riders

- Off-the-Job Accident and Disability (Short Term Disability)*
- Term Life

Additional

- Outpatient Diagnostic X-ray and Laboratory
- Wellness and Preventative Tests
- Prescription Drug

**Employee only*



Group SHOP



Features

- Guaranteed Issue^{*}
- Choose coverage from seven benefit categories
- Benefits increase by 5% after the first coverage year and each coverage year thereafter, for the next 5 years^{**}
- Up to three year rate guarantee^{***}
- Section 125 qualified
- Premiums are based on benefits selected, coverage category, by option chosen, and by issue age

**Down to 10 employees enrolled*

***Does not apply to Off-the-job Accident and Sickness Disability or Term Life*

****Based on company size, industry and participation*



Group SHOP

What if you or a family member were hospitalized tomorrow...

could you pay for your out-of-pocket treatment expenses, plus cover daily living expenses?

Group Supplemental Health Insurance
Supplements existing medical coverage with cash benefits to help you pay for out-of-pocket hospital expenses

Allstate Benefits group voluntary supplemental health plan provides cash benefits for hospitalizations, surgery, outpatient testing and transportation related expenses, and can help cover them as they happen.

Allstate BENEFITS

Features

- Average annualized premium = \$725
- Supplements existing medical coverage with benefits that can help pay for out-of-pocket hospital expenses
- No maximum issue age
- Benefits paid directly to insured
- Coverage for employee, employee + spouse, employee + children and family

**Based on Allstate Benefits reporting*



Group SHOP

Claim Example

Benefit Coverage Includes: Base policy benefits and Prescription Drugs



Jane chooses benefit coverage under her

Employer Approved Plan



Three years later, Jane's on a summer cycling vacation when she falls and breaks her foot in four places. She suffers bruising and swelling of her head and left leg.

Jane is taken by ambulance to the nearest hospital emergency room where she is admitted to the hospital.

Jane undergoes surgery on her foot, is given anesthesia and is visited by a doctor during a two-day hospital stay. Jane is released and the doctor prescribes medications to aid in her recovery and help with her pain. He asks her to schedule 2 follow-up visits with her regular doctor to assure her recovery is going as expected.

Jane's coverage provided the following benefits:

Ambulance Service	\$ 165
Initial Hospital Confinement	\$ 275
Hospital Confinement	\$ 220
Surgery	\$126.50
Anesthesia	\$ 31.50
Inpatient Doctor Visits	\$ 55
Outpatient Doctor Visits	\$ 55
Prescriptions	\$ 44

Total Benefits: \$972.00



This is an example only, and may not reflect the employee's experience.



Group Cancer



No one likes to think about getting cancer, but it will affect 1 in 2 men and 1 in 3 women.*



Prostate cancer is the most frequently diagnosed cancer in men, aside from skin cancer.*



Breast cancer is the most frequently diagnosed cancer in women, aside from skin cancer.*



Group Cancer 2

Coverage

Can help provide cash benefits for cancer and specified disease(s) and can help cover the costs of specific cancer treatments and expenses as they happen

BENEFITS

Base Benefits

- Hospital Confinement
- Extended Benefits
- Inpatient Drugs and Medicine
- Private Duty Nursing Services
- Extended Care Facility
- At Home Nursing
- Hospice Care
- Radiation/Chemo
- Surgery
- Anesthesia
- Ambulance
- Prosthesis
- Family Member Lodging and Transportation
- Plus more

Optional

- Cancer Initial Diagnosis
- Intensive Care
- Cancer Screening Benefit



Group Cancer 2

Are you protected from a diagnosis of cancer?
There are daily living expenses you must pay for even if you are sick and cannot work.

car groceries bus electricity

How will you pay for them?

Group Cancer Insurance
Supplements existing coverage and can help provide cash to cover medical and living expenses

Allstate Benefits group voluntary cancer coverage pays cash benefits for cancer and 29 specified diseases, to help with the costs of treatments and expenses as they happen.

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Allstate
BENEFITS

Features

- Guaranteed Issue*
- Provides coverage for cancer, plus 29 specified diseases
- Flexible benefit options
- Can be pre-packaged or custom
- Pays in addition to other benefits offered
- HSA Compliant
- Section 125 qualified
- Premiums based on group, coverage type, situs state and benefits selected

**Based on size and participation; down to 40 employees enrolled*



Group Cancer 2

Are you protected from a diagnosis of cancer?
There are daily living expenses you must pay for even if you are sick and cannot work.

How will you pay for them?

Group Cancer Insurance
Supplements existing coverage and can help provide cash to cover medical and living expenses

Allstate Benefits group voluntary cancer coverage pays cash benefits for cancer and 29 specified diseases, to help with the costs of treatments and expenses as they happen.

Allstate BENEFITS

Page 1 of 6

Features

- Average annualized premium = \$258*
- Benefits paid directly to insured, unless assigned to someone
- Waiver of premium after 90 days of disability due to cancer for as long as the disability lasts**
- No maximum issue age
- Employee or family coverage available
- Convertible to an individual policy

**Based on Allstate Benefits reporting*

***Primary insured only*



Group Cancer 2

Claim Example

Benefit Coverage Includes: Base policy benefits and Optional Cancer Screening Benefit



Jane chooses benefit coverage under her

**Employer
Approved Plan**



Jane undergoes her annual cancer screening test and is diagnosed with cancer.

Jane's doctor recommends pre-op testing and provides her with the location of the hospital. Jane must travel 160 miles to have pre-op testing performed.

Jane undergoes surgery, anesthesia, radiation/chemo, and is visited by a doctor during a 3-day hospital stay. And, every 2 weeks she has radiation/chemo, is given anti-nausea medication, and sees her doctor during her follow-up visits.

Our cancer insurance policy paid Jane the following:

Cancer Screening Test	\$ 100
Hospital Confinement	\$ 300
Surgery	\$ 1,500
Anesthesia	\$ 375
Radiation/Chemo	\$ 4,500
Inpatient Medicine	\$ 75
Physician Visits	\$ 150
Anti-Nausea	\$ 200

Total Benefits: \$7,200



This is an example only, and may not reflect the employee's experience.



Group Universal Life



Only one-third of Americans are covered by individual life insurance, the lowest level in 50 years.*



56% of all workers had group life insurance coverage through their employers in 2010, up from 48 % in 2004.*



Today, more insured adults depend solely on group life insurance for their only life insurance coverage than in the past.**

**Life Insurance Ownership Study, LIMRA 2011*

***Facts About Life, LIMRA 2011*



Group Universal Life

Coverage

Provides a lump-sum cash benefit upon death. Plus, life event riders can be added to provide coverage for terminal illness, premium waiver for disability, long-term care and more

BENEFITS

Base Benefits

- Life coverage Employee
- Life coverage Spouse*
- Life coverage Child(ren)*

Life -Event Riders

- Children's Term**
- Accidental Death
- Accelerated Death for Terminal Illness
- Future Purchase Option
- Payor Waiver of Premium
- Premium Waiver
- Accelerated Death for Long-Term Care
- Extension of Benefits
- Continuation of Coverage During Strike or Layoff
- Spouse Term**
- Term Insurance

*Subject to state limits

**Subject to state laws governing spouse and child(ren) coverage



Group Universal Life

Group Universal Life Insurance
Provides benefits to help protect finances during a time of loss or terminal or chronic illness, and to help continue coverage during disability or layoff.
Allstate benefits group universal life provides a lump-sum cash benefit upon death. Plus, life-event riders can be added to enhance the life coverage and provide living benefits for terminal illness, disability or layoff.

Allstate
BENEFITS

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Features

- Guaranteed Issue, Contingent Guaranteed Issue and Simplified Issue*
- Face amounts up to \$150,000
- Lump-sum death benefit
- 11 life event riders can be added to the base policy to enhance coverage
- No-lapse guarantee for first 5 years if premiums paid on time
- Premiums based on situs state, tobacco use, issue age, face amount and riders selected

**Varies based on group size and number of employees enrolled*



Group Universal Life

What if your family had to live without you or your paycheck?

Would they be able to afford daily living expenses and still have the financial freedom to enjoy life?

CAR GROCERIES TUITION VACATIONS

Group Universal Life Insurance

Provides benefits to help protect finances during a time of loss or terminal or chronic illness, and to help continue coverage during disability or layoff

Allstate Benefits group universal life provides a lump-sum cash benefit upon death. Plus, life-event riders can be added to enhance the life coverage and provide living benefits for terminal illness, disability or layoff.

Allstate BENEFITS

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Features

- Average annualized premium = \$497*
- Benefits paid directly to beneficiary
- Death benefit can be used to pay for final expenses
- Cash value can be used for withdrawals or loans**
- Employee, spouse and child coverage***
- Coverage is portable
- Issued up to age 80

* Based on face amount of \$100,000, using the situs state of AL, issue age of 48, annual premium mode, and using claim example on the following slide.

**Partial withdrawals, surrenders and loans may be subject to ordinary income taxes and possibly an additional 10% federal tax penalty.

***Based on face amount of \$100,000, using the situs state of AL, issue age of 48, annual premium mode, and using claim example on the following slide



Group Universal Life

Claim Example

Benefit Coverage Includes: Base policy benefits and Total Disability Premium Waiver rider

Face Amount: \$150,000



Jane and John choose life insurance coverage offered through their
Employer

Jane is single and chooses an \$80,000 face amount, plus riders. Her goal is to build fund value and provide final expenses.

Jane is in an auto accident resulting in extensive injuries and is unable to return to work for 9 months.

Our Total Disability Premium Waiver rider paid the planned premiums for Jane's life insurance policy for the last 3 months of her disability.

Premiums paid: Yes

John is married and chooses a \$150,000 face amount. His goal is to protect his family and help pay debts should he die unexpectedly.

While John is out of town visiting friends he is in an automobile accident, suffers extensive injuries, and dies on the way to the hospital.

Our life insurance coverage provided the following for John's family (his designated beneficiaries):

Life Insurance: \$150,000

Total Cash Benefits: \$150,000



This is an example only, and may not reflect the employee's experience.



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