



5Star Life Insurance Company
Family Protection Plan
Group Term Life Insurance to age 121



Frequently Asked Questions and Product Comparison Chart

The Frequently Asked Questions below highlight key differences between the group and individual products and changes you can expect to see as the new product launches. The side-by-side product comparison chart shows key differences in eligibility, underwriting, riders, and specific product features.

What is it?	FPP Group Term Life Insurance, FPP Group, is 5Star Life's second generation voluntary life insurance product, designed to mirror the current individual FPP (TI and CI) plans, referred to as FPP Individual.
Why offer a group version?	Simplicity and flexibility of enrollment and administration.
Where is FPP Group available?	The product is available in 45 states. Filings in District of Columbia, Delaware, North Dakota and South Dakota have been given priority. It will not be available in CA and NY.
What market segments are eligible for FPP Group?	Based on filing, FPP Group can only be offered to employer-employee groups. All other business written through a union or an association will be required to use the FPP individual product.
Does eligibility work like FPP Individual?	Yes, this plan is patterned after FPP Individual. Eligibility, underwriting, and enrollment processes mirror current practices.
Are we still offering the FPP Individual product?	<p>Yes, we continue to market the FPP Individual on a limited basis to unions and associations or where required due to state availability. Any other utilization of the FPP Individual plan for new case activity will require approval from the Regional Marketing Director or VP of Sales.</p> <p>It's important to point out that all previously issued FPP Individual benefits remain unchanged and existing groups that have already installed the FPP Individual product may continue to offer our individual version of the FPP plan during re-enrollments. This business decision will be in place for the immediate future; in the meantime, we encourage all existing groups to consider offering the new group product for future new business at the earliest open enrollment opportunity, again with no impact on previously written individual lines of coverage.</p>
What is the agent compensation for this product?	Great news – FPP Group pays compensation at the same levels as your current contract for FPP Individual.

Does FPP Group require any additional appointment or comp schedules for me to sign?

No, it does not. If you are already appointed with 5Star Life, you are set to market FPP Group in states where you are licensed. You will receive confirmation of the FPP Group compensation schedule, but no signature is required. Submission of FPP Group business will indicate your acceptance.

How is the group version of FPP different from the individual one?

The group version is an efficient way of enrolling employer groups. By design, group products streamline the quoting, election, and issuance processes. In addition, and by definition, group products are only available to homogeneous groups of individuals. Group plans are typically **not** offered via direct to consumer models.

There are key differences between the group vs. individual plans. A few important ones:

Terminology changes

- The terminology changes. Participating employees are no longer referred to as “policy holders”, but instead are called “certificate holders”. This is because in the group product the policy is issued to the sponsoring entity, i.e. the employer.

Fewer state filed forms

- Without state filed enrollment applications, the elective process becomes more automated and flexible. Initially, enrollment will be conducted via enrollment list (electronic file feed) or through the newly created enrollment documents. During the enrollment process, the only state filed form associated with the group product is the evidence of insurability form.

Single state situs

- With a group policy, you can remove significant pain points in the licensing and appointment requirements – you need only be licensed and appointed in the situs state (location of the master policy) which helps to reduce expenses, delays, and turnaround times associated with new business processing.

New intake document and employer signed master agreement

- The paperwork requirements change. There is a new intake documentation process and the employer will be required to complete and sign a master agreement instead of our current participation agreement used with FPP individual.

Flexible certificate fulfillment

- Flexibility in certificate fulfillment to the covered employee gives us freedom to substantially enhance and streamline the experience. Expect to see changes in the near future.

Master Policy to employer

- Fulfillment changes are not limited to the employee, as the employer will also be receiving a master policy documenting the plan specifics and eligibility guidelines. This is a common practice of all group-based products, and we do likewise for our Critical Illness, Accident, and Hospital Indemnity plans.

Child coverage changes

- Like the FPP Individual, spouse and children can be covered without the employee electing coverage for themselves. However, under FPP Group there are three significant changes: child(ren) are covered under a rider; all eligible children are covered for the same amount at a single premium so regardless the number of children, the cost is the same; and lastly, eligibility is limited to financially dependent children.

What riders are available under FPP Group?

FPP Group offers four riders:

- Child Term Rider (CTR) – selected at employee level
- Quality of Life (QoL) – selected at group level
- Waiver of Premium (WoP) – selected at group level
- Accelerated Terminal Illness due to Terminal Illness – selected at group level and included at no additional cost on every offering

How is the Child Term Rider different from the existing offer?

The Child Term Rider (CTR) is a “one premium for all” offering that presents a cost-effective option for dependent child coverage. All children are required to be equally covered under this rider. Coverage is available as either a \$5,000 or \$10,000 benefit and is available to eligible dependents ages 14 days to 26.

In addition, the CTR insurance amount is guaranteed convertible to permanent insurance once the covered child ages out of the rider coverage. Conversion is available in increments up to five times the value of the rider, not to exceed \$50,000, regardless of the child’s health or occupation. The covered child must contact us to exercise this provision, as there are time limitations to exercise the conversion option.

How does the selling process change?

As already indicated, there is different paperwork, plus the new group master application. In addition, we may require additional discussion during on-boarding and after initial issue to ensure that all is properly buttoned down as we engage in this product launch.

For quoting, we will not have any additional requirements, however the RMD and Account Management team will need to employ additional diligence in the completion of the master agreement paperwork (nothing moves without one being properly completed), situs requirements, and contracting process.

While a single situs is helpful and gives us flexibility we did not have previously, it is not a license to write business wherever you want nor should it be improperly used to write business in states or territories we would not normally engage. This will be monitored by leadership very carefully.

	FPP Individual	FPP Group
Contract Type	Individual	Group
State Availability	Everywhere but NY, NJ, WA, IN, VT FPP-CI available in IN QOL Rider not available in CA	45 States Pending: DE, DC, ND, SD Not available in NY, CA
Group/Association Eligibility	Yes, both employer group & associaton member eligible	Employer group only, where employer-employee relationship exists
Ownership	The employee/member own the policy	The employer owns the contract and is the policy holder. Employees are certificate holders
Issue Ages		
Employee	18 - 70	18 - 70
Spouse	18 - 70	18 - 70
Child/Grandchildren	0 - 23 (26, if FT Student)	14 days - 19 years, 26 if FT Student Grandchildren not eligible
Expiry Age	100	121
Coverage Amounts		
Employee	\$2,500 - \$150,000	\$2,500 - \$150,000
Spouse	\$2,500 - \$150,000	\$2,500 - \$150,000
Child/Grandchildren	\$10,000 or \$20,000	\$5,000 or \$10,000
Child Term Rider (CTR)	No	Yes Child coverage is one rate for all children, regardless of the number of children. CTR amount is guaranteed convertible to whatever type of permanent insurance 5Star is offering at that time. Conversion is available in increments up to 5x the value of the rider, not to exceed \$50,000 - regardless of child's health or occupation.
Accelerated Death Benefit for Terminal Illness	Yes For diagnosis of terminal illness by a physician with life expectancy of 12 months or less (24 months or less in KS, MA, and TX), 30% (25% in MI) of the life insurance in force will be paid in a lump sum not to exceed \$50,000. The acceleration of life benefits will reduce the amount of life benefits paid upon death by the amount of the terminal illness benefit paid.	Yes For diagnosis of terminal illness by a physician with life expectancy of 12 months or less (24 months or less in IL), 30% (25% in CT & MI) of the life insurance in force will be paid in a lump sum. The acceleration of life benefits will reduce the amount of life benefits paid upon death by the amount of the terminal illness benefit paid.
Quality of Life Rider	Yes This rider accelerates a 4% portion of the death benefit on a monthly basis up to 75% of your benefit, each month as scheduled by the employer at the group level, and payable directly to the insured on a tax favored basis.	Yes This rider accelerates a 4% portion of the death benefit on a monthly basis up to 75% of your benefit, each month as scheduled by the employer at the group level, and payable directly to the insured on a tax favored basis.
Waiver of Premium	Yes If employee is totally disabled due to sickness or accidental bodily injury, after a consecutive six (6) month waiting period, premium payments are waived for as long as disability lasts	Yes If employee is totally disabled due to sickness or accidental bodily injury, after a consecutive six (6) month waiting period, premium payments are waived for as long as disability lasts
Automatic Increase Rider	Yes This additional benefit makes the coverage more responsive to employees' needs. For an additional \$1 of premium per week, additional coverage can be purchased for the first five (5) consecutive years on the policy anniversary date, guaranteed. The rider allows the benefit to be locked in so employee can't be turned down. Getting extra coverage each year allows the death benefit to keep up with cost of living expenses.	No Not Available
Emergency Payment	Yes Within 1 business day of notification, payment of 50% or \$10,000, which ever is less will be mailed to the beneficiary.	Yes Within 1 business day of notification, payment of 50% or \$10,000, which ever is less will be mailed to the beneficiary.
Portability	Yes Individual Policy - remains with individual	Yes Group Policy - coverage will terminate if group terminates contract
Agent Compensation	Yes Exact same levels for both FPP Individual and Group	Yes
Underwriting		
Guarantee Issue Availability	Yes	Yes
State of Health Questions (Simplified Issue)	Up to 7 questions in total to determine eligibility	Up to 5 questions in total to determine eligibility
Coverage Amounts	Determined by group size, makeup of group and enrollment strategy	Determined by group size, makeup of group and enrollment strategy