

Basic & Voluntary Term Life, Basic & Voluntary Personal Accident Insurance Overview

Prepared for the employees of Lane Community College



What would happen to your family if you and your income were gone?

- Could they maintain their standard of living?
- Pay for college tuition?
- Household bills?
- What about monthly mortgage or rent?

Three in 10 households carry no life insurance on anyone in the household.

Household Trends in U.S. Life Insurance Ownership. LIMRA, 2010

Half of U.S. households now believe they are underinsured.

Household Trends in U.S. Life Insurance Ownership. LIMRA, 2010

Basic Term Life Insurance Coverage

Classified Employee

- Benefit Amount – Flat \$50,000 (*paid by your employer*)
- Coverage begins at Effective Date
- Benefit Reduction Schedule – Benefits will reduce by 50% at age 70
- Spouse - \$2,000 (paid by you)
- Unmarried, Dependent Children age 6 months to 25 years - \$2,000 (paid by you)
- Dependent Children from live birth to age 6 months - \$1,000

Voluntary Term Life Insurance Coverage – *paid by you*

Employee – If you are an active, full-time employee and work at least 20 hours per week for your employer.

- Benefit Amount – Increments of \$10,000
- Maximum – The lesser of 5 times your annual compensation to a maximum of \$500,000 rounded to the nearest \$1,000
- Coverage begins at Effective Date
- Benefit Reduction Schedule – Providing you are still employed, your coverage will decrease to 65% @ age 70, 45% @ age 75, 30% @ age 80, 20% @ age 85, 15% @ age 90, 10% @ age 95.

Your Spouse* — Eligible provided that you apply for and are approved for coverage for yourself.

- Benefit Amount – Increments of \$5,000
- Maximum – The lesser of 5 times your annual compensation to a maximum of \$500,000 rounded to the nearest \$1,000
- Coverage begins at Effective Date

Your Unmarried, Dependent Children — Under age 26 as long as you apply for and are approved for coverage for yourself.

- Benefit Amount – Units of \$2,500
- Maximum – \$10,000 (\$1,000 for ages 14 days to 6 months, no benefit from birth to 14 days)

No one may be covered more than once under this plan.

**Full Domestic Partner> For purposes of this brochure, wherever the term Spouse appears it shall also include Domestic Partner. Your domestic partner is eligible for insurance if you have not been married to any person within the last 12 months and if he or she meets specific criteria stated in the Group Policy. Additional information is available from your Benefit Services Representative.*



Guaranteed Coverage for Voluntary Term Life Insurance Coverage

Guaranteed Coverage Amount is the amount of coverage you can elect without answering any medical questions or taking a health exam. Guaranteed Coverage is only available during Initial Enrollment and other times as approved.

The guaranteed coverage amount for employees is \$100,000; for spouses it is \$30,000.

If you apply for coverage that is above the Guaranteed Coverage Amount, or if you are applying for coverage after 31 days after you become eligible, you must fill out a Medical Evidence of Insurability form. During each annual enrollment period you may elect an additional \$10,000 for yourself and an additional \$5,000 for your spouse, not to exceed the guaranteed coverage amount, without answering any medical questions or taking a health exam.

How Much Your Coverage will Cost per Month

Age	Employee Cost Per \$1,000	Spouse Cost Per \$1,000	Age	Employee Cost Per \$1,000	Spouse Cost Per \$1,000	Benefit	Premium Cost
						Voluntary Child per \$1,000 of Coverage Elected	\$0.20
<25	\$0.076	\$0.076	65-69	\$1.408	\$1.408		
25-29	\$0.066	\$0.066	70-74	\$2.514	\$2.514		
30-34	\$0.074	\$0.074	75 +	\$5.017	\$5.017		
35-39	\$0.104	\$0.104					
40-44	\$0.150	\$0.150					
45-49	\$0.240	\$0.240					
50-54	\$0.377	\$0.377					
55-59	\$0.577	\$0.577					
60-64	\$0.074	\$0.074					

* Costs are subject to change

Cost Calculation Example

	Age	Monthly Cost per \$1,000		Benefit				Monthly Cost
Example	33	.074	X	100,000	÷	1,000	=	\$7.40
<i>Yours</i>			X		÷	1,000	=	

Other Coverage Features

Accelerated Death Benefit — Terminal Illness

If you or your spouse is diagnosed by two unaffiliated physicians as terminally ill with a life expectancy of 12 months or less, the benefit for terminal illness provides for up to 75% of the Voluntary Term Life Insurance coverage amount in force or \$100,000, whichever is less, to be paid to the insured. This benefit is payable only once in the insured's lifetime, and will reduce the life

insurance death benefit.

Waiver of Premium

If you are totally disabled prior to age 60 and can't work for at least 3 months, you won't need to pay premiums for your coverage while you are disabled, provided the insurance company approves you for this benefit. You are considered totally disabled when you are completely



unable to engage in any occupation for wage or profit because of injury or sickness. This benefit will remain in force until SSNRA, subject to proof of continuing disability each year.

Extended Death Benefit

The extended death benefit ensures that if you become disabled prior to age 60, and die before you qualify for Waiver of Premium, we will pay the life insurance benefit if you remain disabled during that period. If you qualify for this benefit and have insured your spouse or children, their coverage is also extended.

Conversion

If group life insurance coverage is reduced or ends for any reason except nonpayment of premiums, you can convert to an individual policy. To convert, you must apply for the conversion policy and pay the first premium payment within 31 days after your group

coverage ends. Family members may convert their coverage as well. Converted policies are subject to certain benefits and limits as outlined in the conversion brochure which may be requested as needed. Premiums may change at this time.

Portability

This plan allows you to continue all of your voluntary coverage if you leave your employer. Premiums may change at this time. Just pay your premiums directly to the insurance company. Coverage may be continued for you and your spouse until age 70. Coverage may also be continued for your children.

Exclusions

This plan will not pay benefits if loss of life is the result of suicide that occurs within the first two years of coverage.

Personal Accident Insurance Coverage

Voluntary Personal Accident Insurance Coverage – *paid by you*

Employee – If you are an active, full-time employee and work at least 20 hours per week for your employer.

- You must elect Voluntary Term Life coverage in order to enroll in the Voluntary Personal accident plan.
- The amount of Accident coverage matches the amount elected for Voluntary Term Life.
- Coverage begins at Effective Date
- Benefit Reduction Schedule – Providing you are still employed, your coverage will decrease to 65% @ age 70, 45% @ age 75, 30% @ age 80, 20% @ age 85, 15% @ age 90, 10% @ age 95.

Your Spouse* — Up to age 70 is eligible provided that you apply for and are approved for coverage for yourself.

- Benefit Amount – Equals the amount of spouse coverage elected under the Voluntary Term Life plan.
- Maximum – The lesser of 5 times annual compensation to a maximum of \$500,000 rounded to the nearest \$1,000
- Coverage begins at Effective Date

No one may be covered more than once under this plan.

**Full Domestic Partner> For purposes of this brochure, wherever the term Spouse appears it shall also include Domestic Partner. Your domestic partner is eligible for insurance if you have not been married to any person within the last 12 months and if he or she meets specific criteria stated in the Group Policy. Additional information is available from your Benefit Services Representative.*

How Much Your Coverage will Cost per Month

The cost of this insurance is paid by you. The monthly cost per \$1,000 of coverage is \$0.025 for Employee, and \$0.025 for Spouse. Costs are subject to change.



A Valuable Combination of Benefits

A covered accident is a sudden, unforeseeable, external event, resulting directly and independently of all other causes, in a covered injury or covered loss that occurs while coverage is in force. To help survivors of severe accidents adjust to new living circumstances, we will pay benefits according to the chart below.

If, within 365 days of a covered accident, bodily injuries result in:	We will pay this % of the benefit amount:
Loss of life	100%
Total paralysis of upper and lower limbs, or Loss of any combination of two: hands, feet or eyesight, or Loss of speech and hearing in both ears	100%
Total paralysis of both lower or upper limbs	75%
Total paralysis of upper and lower limbs on one side of the body, or Loss of hand, foot or sight in one eye, or Loss of speech or loss of hearing in both ears	50%
Total paralysis of one upper or lower limb, or Loss of all four fingers of the same hand, or Loss of thumb and index finger of the same hand	25%
Loss of all toes of the same foot	20%
Coma	1%

Only one benefit (the largest) will be paid for losses from the same accident.

Other Coverage Features

For Wearing a Seatbelt & Protection by an Airbag

Additional 10% benefit but not more than \$10,000 if the covered person dies in an automobile accident while wearing a seatbelt or approved child restraint. We will increase the benefit by an additional 10% but not more than \$10,000 if the insured person was also positioned in a seat protected by a properly-functioning and properly deployed Supplemental Restraint System (Airbag).

For Comas

1% of full benefit amount, for up to 11 months, if you, your spouse, or your children are in a coma for 30 days or more as a result of a covered accident. If the covered person is still in a coma after 11 months, or dies, the full benefit amount will be paid.

For Exposure & Disappearance

Benefits are payable if you or an insured family member suffer a covered loss due to unavoidable exposure to the elements as a result of a covered accident.

If your or an insured family member's body is not found within one year of the disappearance, wrecking or sinking of the conveyance in which you or an insured family member were riding, on a trip otherwise covered, it will be presumed that

you sustained loss of life as a result of a covered accident.

For Furthering Education

If you die in a covered accident, we will pay an extra benefit for each insured child under age 25 who enrolls in a school of higher learning within one year of your death. We will increase your benefit by 5% or \$5,000, whichever is less, for each qualifying child, each year for 4 consecutive years as long as your child continues his/her education. If there is no qualifying child, we will pay an additional \$1,000 to your beneficiary.

For Child Care Expenses

If you die as a result of a covered accident, we will pay a benefit for a surviving child under 13 who is enrolled in a licensed child care center at the time of the accident or within 90 days afterwards. This benefit is 3% of your benefit amount per year, but not more than \$3,000 per year for 5 years or until the child turns 13, whichever occurs first, for each covered child

For Rehabilitation

If you or an insured family member incur rehabilitative expenses within 2 years of the date of a covered loss, we will pay an additional 5% of the benefit amount, up to \$10,000 for each covered accident.



What is Not Covered

Self-inflicted injuries or suicide while sane or insane; commission or attempt to commit a felony or an assault; any act of war, declared or undeclared; any active participation in a riot, insurrection or terrorist act; bungee jumping; parachuting; skydiving; parasailing; hang-gliding; sickness, disease, physical or mental impairment, or surgical or medical treatment thereof, or bacterial or viral infection; voluntarily using any drug, narcotic, poison, gas or fumes except one prescribed by a licensed physician and taken as prescribed; while operating any type of vehicle while under the influence of alcohol or any drug, narcotic or other intoxicant including any prescribed drug for which the covered person has been provided a written warning against operating a vehicle while taking it; while the covered person is engaged in the activities of active duty service in the military, navy or air force of any country or international organization (this does not include Reserve or National Guard training, unless it extends beyond 31 days); traveling in an aircraft that is owned, leased or controlled by the sponsoring organization or any of its subsidiaries or affiliates; air travel, except as a passenger on a regularly scheduled commercial airline or in an aircraft being used by the Air Mobility Command or its foreign equivalent; being flown by the covered person or in which the covered person is a member of the crew.

When Your Coverage Begins and Ends

Coverage becomes effective on the later of the program's effective date, the date you become eligible, the date we receive your completed enrollment form, or the date you authorize any necessary payroll deductions. Your coverage will not begin unless you are actively at work on the effective date. Dependent coverage will not begin for any dependent who on the effective date is hospital or home confined; receiving

chemotherapy or radiation treatment; or disabled and under the care of a physician. Coverage will continue while you and your dependents remain eligible, the group policy is in force, and required premiums are paid.

Programs Included at No Additional Cost

Cigna's Online Will and Health-related Legal Document and Funeral Preparation Program

Offers you and your covered spouse access to a website that helps you build state-specific customized wills and other legal documents as well as create an end-of-life plan that spells out the handling of your estate and funeral arrangements. Visit www.Cignawillcenter.com.

Cignassurance® for Beneficiaries

Provides your family with bereavement counseling with certified specialists, financial information from experienced professionals and legal consultation services.

Cigna's Identity Theft Program

Provides access to personal case managers who give step-by-step assistance and guidance if you have had your identity stolen.

Cigna's Secure Travel Program

Provides emergency travel assistance, available 24 hours a day/365 days a year from anywhere in the world, any time you are more than 100 miles from home on personal, non-business travel. Services include: medical assistance (including medical evacuation when necessary), travel and communication services, assistance with legal issues or lost or stolen items, and pre-departure planning information regarding immunization, visa and passport requirements, and tourism advisories.

This information is a brief description of the important features of the plan. It is not a contract. Terms and conditions of life insurance coverage are set forth in Group Policy Nos. FLX 964816 and OK 966422, issued in Oregon to Lane Community College. The group policy is subject to the laws of the jurisdiction in which it is issued. The availability of this offer may change. Please keep this material as a reference. Coverage is underwritten by Life Insurance Company of North America, 1601 Chestnut Street, Philadelphia, PA. As used in this brochure, the term Cigna and Cigna Group Insurance are registered service marks of Life Insurance Company of North America, a CIGNA company, which is the insurer of the Group Policy. Insurance products and services are provided by the individual CIGNA companies and not by the Corporation itself. © Cigna 2011

