

# Voluntary Term Life, & Voluntary Personal Accident Insurance Overview

Prepared for the employees of the City of Casper



## 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*

## Voluntary Term Life Insurance Coverage – paid by you

**Employee** – All active, full-time Employees of the Employer regularly working a minimum of 40 hours per week

- Benefit Amount – Units of \$10,000
- Guaranteed Coverage Amount – \$300,000
- Maximum – \$500,000
- Benefit Reduction Schedule – Benefits will reduce to 65% at age 65, 40% at age 70, 25% at age 75.

**Your Spouse\*** — Is eligible provided that you apply for and are approved for coverage for yourself.

- Benefit Amount – Units of \$10,000
- Guaranteed Coverage Amount - \$30,000
- Maximum – \$250,000 not to exceed employee voluntary benefit

**Your Unmarried, Dependent Children** — Under age 19 (or under age 26 if they are full-time students), as long as you apply for and are approved for coverage for yourself.

- Benefit Amount – birth to 14 days: \$500
- 14 days to 26 years \$10,000
- Maximum – \$10,000

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

## 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. 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. All dependent child benefits are guaranteed issue.

## How Much Your Coverage will Cost per Month for Voluntary Life & Voluntary Accident

| 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 |
|-------|---------------------------|-------------------------|-------|---------------------------|-------------------------|---|--------------|
| <20   | \$0.09                    | \$0.103                 | 50-54 | \$0.429                   | \$0.294                 | Voluntary Child per \$1,000 of Coverage Elected | \$0.27       |
| 20-24 | \$0.125                   | \$0.138                 | 55-59 | \$0.671                   | \$0.684                 |   |              |
| 25-29 | \$0.125                   | \$0.138                 | 60-64 | \$1.013                   | \$1.026                 |   |              |
| 30-34 | \$0.125                   | \$0.138                 | 65-69 | \$1.696                   | \$1.709                 |   |              |
| 35-39 | \$0.1416                  | \$0.159                 | 70+   | \$3.427                   | \$3.44                  |   |              |
| 40-44 | \$0.197                   | \$0.21                  |       |                           |                         |   |              |
| 45-49 | \$0.281                   | \$0.251                 |       |                           |                         |   |              |

\* Costs are subject to change

### Cost Calculation Example

|              | Age | Monthly Cost per \$1,000 |   | Benefit |   |       |   | Monthly Cost |
|--------------|-----|--------------------------|---|---------|---|-------|---|--------------|
| Example      | 33  | .125                     | X | 100,000 | ÷ | 1,000 | = | \$12..50     |
| <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 Term Life Insurance coverage amount inforce or \$500,000, 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.

### Extended Death Benefit

The extended death benefit ensures that if you become disabled prior to age 60, and die before it is determined if 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. No additional premium payment is required for the extended coverage.

### Waiver of Premium

If you are totally disabled prior to age 60 and can't work for at least 6 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 age 70, subject to proof of continuing disability each year. If you qualify and have insured your spouse or children, their premium is also waived.

### 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

The voluntary portion of 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** – All active, full-time Employees of the Employer regularly working a minimum of 40 hours per week

- Benefit Amount –An amount equal to the approved voluntary life insurance
- Benefit Reduction Schedule – Benefits will reduce to 65% at age 65, 40% at age 70

**Your Spouse\*** — Is eligible provided that you apply for and are approved for coverage for yourself.

- Benefit Amount –An amount equal to the approved voluntary life insurance
- Benefit Reduction Schedule – Benefits will reduce to 65% at age 65, 40% at age 70

**Your Unmarried, Dependent Children** — Under age 19 (or under age 26 if they are full-time students), as long as you apply for and are approved for coverage for yourself.

- Benefit Amount –An amount equal to the approved voluntary life insurance
- Benefit Reduction Schedule – Benefits will reduce to 65% at age 65, 40% at age 70

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

## 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<br>Loss of any combination of two: hands, feet or eyesight, or<br>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<br>Loss of hand, foot or sight in one eye, or<br>Loss of speech or loss of hearing in both ears, or<br>Severance and Reattachment of one hand or foot | 50%                                       |
| Total paralysis of one upper or lower limb, or<br>Loss of all four fingers of the same hand, or<br>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.*

## Additional Benefits of Personal Accident Insurance

### 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.

#### **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.

This information is a brief description of the important features of the plan. It is not a contract. Terms and conditions of life coverage are set forth in Group Policy No. FLX-965050, FLX-965049 issued in Delaware Trustee of the Group Insurance Trust for Employers in the Industry. Terms and conditions of accident coverage are set forth in Group Policy No. OK-966649, OK-966650, issued in Delaware Trustee of the Group Insurance Trust for Employers in the Industry. 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. 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 2012