

# Voluntary Term Life Insurance Overview

Prepared for the employees of Campbell County School District #1



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** – If you are an active, full-time employee of the Employer regularly working a minimum of 30 hours per week, you are eligible for coverage on the first of the month after date of hire, temporary, seasonal, and School Board employees are excluded from coverage.

- Benefit Amount – Units of \$5,000
- Guaranteed Coverage Amount – The greater of a.) or b.) below:
  - a.) \$100,000, or
  - b.) An amount equal to the Life Insurance Benefit in effect on the termination date of the Prior Plan
- Maximum – \$500,000
- Benefit Reduction Schedule – Providing you are still employed, your benefits will reduce to 65% at age 70, 45% at age 75, and 30% at age 80.

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

- Benefit Amount – Units of \$2,500
- Guaranteed Coverage Amount - The greater of a.) or b.) below:
  - a.) \$25,000, or
  - b.) An amount equal to the Life Insurance Benefit in effect on the termination date of the Prior Plan
- Maximum – \$250,000

**Your Unmarried, Dependent Children** — Children live birth to age 26, as long as you apply for and are approved for coverage for yourself.

- Benefit Amount – Units of \$5,000
- 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

Age	Employee Non-Smoker Cost Per \$1,000	Spouse Non-Smoker Cost Per \$1,000	Employee Smoker Cost Per \$1,000	Spouse Smoker Cost Per \$1,000	Benefit	Premium Cost
<20-29	\$0.055	\$0.055	\$0.088	\$0.088	Voluntary Child per \$1,000 of Coverage Elected	\$0.132
30-34	\$0.077	\$0.077	\$0.121	\$0.121		
35-39	\$0.099	\$0.099	\$0.165	\$0.165		
40-44	\$0.110	\$0.110	\$0.264	\$0.264		
45-49	\$0.165	\$0.165	\$0.385	\$0.385		
50-54	\$0.275	\$0.275	\$0.605	\$0.605		
55-59	\$0.407	\$0.407	\$0.847	\$0.847		
60-64	\$0.726	\$0.726	\$1.320	\$1.320		
65-69	\$1.386	\$1.386	\$2.519	\$2.519		
70-95+	\$2.904	-	\$4.092	-		

\* Costs are subject to change

### Cost Calculation Example

	Age	Monthly Cost per \$1,000		Benefit		Monthly Cost
Example	33	.077	X	100,000	÷ 1,000 =	\$7.70
Yours			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 50% 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.

### Continuation for Disability for Employees Age 60 or over

If your active service ends due to disability, at age 60 or over, your coverage will continue while you are disabled. Benefits will remain in force until the earliest of: the date you are no longer disabled, the date the policy terminates, the date you are Disabled for 12 consecutive months, or the day after the last period for which premiums

are paid.

You are considered disabled if, because of injury or sickness, you are unable to perform all the material duties of your Regular Occupation, or you are receiving disability benefits under your Employer's plan.

### 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 9 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.

### **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**

Voluntary life insurance will not be paid if loss of life is the result of suicide that occurs within the first two years of coverage.

This information is a brief description of the important features of the plan. It is not a contract. Terms and conditions of coverage are set forth in Group Policy No. FLX-961867. Please refer to your Certificate of Insurance or Summary Plan Description for more detailed information. Coverage is underwritten by Life Insurance Company of North America, a Cigna company. "Cigna" and the Tree of Life logo are registered service marks of Cigna Intellectual Property, Inc. © Cigna 2014