

# Basic Term Life Insurance Overview

## Prepared for the employees of City of San Rafael Class 5



### 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 – paid by your employer

**Employee** - If you are an active, full-time employee, classified as Unrepresented Mid-Management and work at least 20 hours per week for your employer, you are eligible for coverage first of the month following date of hire.

- Benefit Amount and Maximum – \$150,000
- Benefit Reduction Schedule – Benefits will reduce to 65% at age 65, 45% at age 70, 30% at age 75 and 20% at age 80.

### ACCIDENT INSURANCE BENEFITS

Amount of Insurance - Same as Basic Life Insurance Benefits

Benefit Reduction Schedule - Accident Insurance Benefits will reduce the same as Life Insurance Benefits

### Other Coverage Features

#### Accelerated Death Benefit — Terminal Illness

If you are 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 in force or \$112,500 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 9 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. 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 65, subject to proof of continuing disability each year.

### **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. 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.

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-960830. 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 2013