

Voluntary Term Life, Voluntary Personal Accident Insurance Overview

Prepared for the employees of Town of Vail



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 and work at least 30 hours per week or a full-time Municipal Judge working at least 16 hours per week, you are eligible for coverage on the first of the month coinciding or following 30 days of active service. Coverage excludes Seasonal Employees.

- Benefit Amount – Units of \$10,000
- Guaranteed Coverage Amount – the lesser of 5 times Annual Compensation or \$50,000
- Maximum – The lesser of 5 times Annual Compensation, rounded to the next lower \$10,000 or \$300,000
- Benefit Reduction Schedule – Providing you are still employed, your benefits will reduce to 65% at age 65, 40% at age 70 and 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 - \$50,000
- Maximum – \$300,000, not to exceed 100% of the employee's Basic and Voluntary Life combined coverage amount

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 – \$50,000 (Birth to 6 months \$500)

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

**For purposes of this brochure, wherever the term Spouse appears it shall also include Domestic Partner or Civil Union Partner. Your domestic partner is eligible for insurance 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. 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 Cost Per \$1,000	Spouse Cost Per \$1,000	Age	Employee Cost Per \$1,000	Spouse Cost Per \$1,000	Benefit	Premium Cost
<20-24	\$0.085	\$0.085	50-54	\$0.374	\$0.374	Voluntary Child per \$1,000 of Coverage Elected	\$0.123
25-29	\$0.102	\$0.102	55-59	\$0.706	\$0.706		
30-34	\$0.128	\$0.128	60-64	\$1.080	\$1.080		
35-39	\$0.145	\$0.145	65-69	\$2.083	\$2.083		
40-44	\$0.162	\$0.162	70-99	\$3.375	\$3.375		
45-49	\$0.247	\$0.247					

* Costs are subject to change

Cost Calculation Example

	Age	Monthly Cost per \$1,000		Benefit				Monthly Cost
Example	33	.128	X	100,000	÷	1,000	=	\$12.80
<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 in force 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.

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.

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.

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 65, subject to proof of continuing disability each year. If you qualify and have insured your spouse or children, their premium is also waived.

Rehabilitation During a Period of Disability

If the insurance company determines that you are a suitable candidate for rehabilitation, the insurance company may require you to participate in an assessment and rehabilitation plan, not to exceed 18 months. A rehabilitation plan may consist of educational, vocational or physical rehabilitation or

Extended Death Benefit

may include modified work or work on a part-time basis. If you refuse such assistance without good cause (a medical reason preventing participation, in whole or in part, in the rehabilitation plan), insurance under this plan will end.

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.

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 30 hours per week or a full-time Municipal Judge working at least 16 hours per week, you are eligible for coverage on the first of the month coinciding or following 30 days of active service.

- Benefit Amount – Units of \$25,000
- Maximum – \$500,000
- Benefit Reduction Schedule – Providing you are still employed, your 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.

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

Family Plan Benefit — Based on family member at time of accident:

- 50% for spouse if no children
- 40% for spouse if eligible children
- 5% for children if eligible spouse
- 10% for children if no spouse

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

You may need to request changes to your existing coverage if, in the future, you no longer have dependents who qualify for coverage. We will refund premium if you do not notify us of this and it is determined at the time of a claim that premium has been overpaid.

**For purposes of this brochure, wherever the term Spouse appears it shall also include Domestic Partner or Civil Union Partner. Your domestic partner is eligible for insurance 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. Indicate your choice, or your decision not to elect coverage, on your enrollment form. The monthly cost per \$1,000 of coverage is \$0.03 for Employee, \$0.06 for Family. Costs are subject to change.

A Valuable Combination of Benefits

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, or Severance and Reattachment of one hand or foot	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%

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 25% benefit but not more than \$25,000 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 \$5,000 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.

Conversion

If, before you reach age 70, this group coverage is reduced or ends for any reason except non-payment of premium or age, you can convert to an individual policy. No medical certification is needed. To continue coverage, you must apply for the conversion policy and pay the first premium in effect for your age and occupation within 31 days after your group coverage ends. Family members may convert their coverage as long as they have not reached the maximum age limitation. Converted policies are subject to certain benefits and limits as outlined in your certificate, should you become insured under the plan.

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. FLX966258 and Group Policy No. OK967797. 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