

BASIC AND VOLUNTARY TERM LIFE WITH ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) INSURANCE OVERVIEW

Prepared for the employees of Lake Arrowhead Community Services District

Basic and Voluntary Term Life

Eligibility All active, full-time U.S. Employees of the Employer regularly working a minimum of 30 hours per week.

Eligibility Waiting Period First of month following date of hire

Basic Term Life – paid by your employer

Employee	Benefit Amount and Maximum	2 times annual compensation rounded to the nearest \$1,000 not to exceed \$350,000
	Benefit Reduction Schedule	67% @ age 65, 33% @ age 70, 33% @ age 75, 33% @ age 80, 33% @ age 85, 33% @ age 90, 33% @ age 95

Voluntary Term Life – paid by you

Employee	Benefit Amount	Units of \$10,000 to the lesser of 5 times salary or \$500,000
	Guaranteed Coverage Amount	\$100,000
	Benefit Reduction Schedule	Benefits will reduce to 65% @ age 65, 50% @ age 70

Spouse* (up to age 70)	Spouse is eligible provided that you apply for and are approved for coverage for yourself.	
	Benefit Amount	Units of \$5,000 to the lesser of \$250,000 or 50% of Employee's Voluntary Life Insurance Amount
	Guaranteed Coverage Amount	\$25,000

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. Premium includes all eligible children.	
	Maximum Per Child	\$10,000
	Benefit Amount from birth to 6 months	\$500
	Benefit Amount from 6 months to 26	\$10,000

Basic and Voluntary Accidental Death & Dismemberment (AD&D)

Eligibility All active, full-time U.S. Employees of the Employer regularly working a minimum of 30 hours per week.

Eligibility Waiting Period First of month following date of hire

Basic Accidental Death & Dismemberment (AD&D) – paid by your employer

Employee	Benefit Amount and Maximum	2 times Base Annual Earnings rounded to the next higher \$1 subject to a maximum of \$350,000
	Benefit Reduction Schedule	Benefits will reduce to 100% @age 60-64 67% @age 65-69 33% @age 70-74 33% @age 75-79 33% @age 80-84 33% @age 85-89 33% @age 90-94 33% @age 95-99

Voluntary Accidental Death & Dismemberment (AD&D) – paid by you

Employee	Benefit Amount	Units of \$10,000 to the lesser of 5 times salary or \$500,000
	Benefit Reduction Schedule	Benefits will reduce to 65% @ age 65, 50% @ age 70
Spouse* (up to age 70)	Spouse is eligible provided that you apply for and are approved for coverage for yourself	
	Benefit Amount	Units of \$5,000 to the lesser of \$250,000 or 50% of Employee's Voluntary Life Insurance Amount
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	Units of \$1,000
	Maximum	\$10,000

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 Voluntary Life Coverage will Cost per Month*

Age	Employee (and Spouse) Cost Per \$1,000
<20	\$0.041
20-24	\$0.0638
25-29	\$0.0638
30-34	\$0.0638
35-39	\$0.078
40-44	\$0.1118
45-49	\$0.1688
50-54	\$0.269
55-59	\$0.4313
60-64	\$0.662
65-69	\$1.1213
70-74	\$2.2868
75+	\$4.619
Child Rate per \$1,000	\$0.252

*Costs are subject to change

How Much Your Voluntary Accidental Death & Dismemberment Coverage will Cost per Month

The cost of the voluntary insurance is paid by you. Indicate your desired election on your enrollment form.

	Cost Per \$1,000
Employee	\$0.04
Spouse	\$0.028
Child	\$0.037

Cost Calculation Example (based on the Benefit Amount)

	Age	Rate Per \$1,000		Benefit Amount			Estimated Cost
<i>Example Life Costs</i>	33	.0638	X	100,000	÷	1,000	= \$6.38



Input Your Costs		X		÷	1,000	=	
<i>Example AD&D Costs</i>	.04	X	100,000	÷	1,000	=	\$4.00
Input Your Costs		X		÷	1,000	=	

Other Voluntary Life 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 80% of the Basic Term Life Insurance coverage amount in-force or \$250,000, whichever is less, and up to 80% of the Voluntary Term Life Insurance coverage amount in-force or \$250,000, 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 65, subject to proof of continuing disability each year. If you qualify and have insured your spouse or children, their premium is also waived.

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 group life coverage ends (except due to nonpayment of premium), your employment is terminated, membership in an eligible class is terminated, or insurance coverage is reduced based on attained age, you can convert to an individual non-term policy. To convert, you must apply for the conversion policy and pay the first premium payment within [31 days] after your group coverage ends. Dependents may convert their coverage as well. Premiums may change at this time, and terms of coverage will be subject to change.

Portability - If your employment is terminated and you are under age 70, you can continue your [employee-paid] life insurance on a direct-bill basis. Coverage may also be continued for your spouse/children. Premiums will increase at this time. Coverage can be continued to age 70, unless the insurance company terminates portability for all insured persons. Refer to your certificate for details.

Exclusions: Voluntary Life insurance will not be paid if you commit suicide, while sane or insane, within the first two years of coverage.

Other Accidental Death & Dismemberment (AD&D) Coverage Features

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 Voluntary Personal Accident Insurance

For Wearing a Seatbelt & Protection by an Airbag – Basic Accident Only- Additional 10% 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 5% 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 Wearing a Seatbelt & Protection by an Airbag – Voluntary Accident Only- Additional 10% 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 5% 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 you 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, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food • voluntarily using any drug, narcotic, poison, gas or fumes except one prescribed by a licensed physician and taken as prescribed • 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 • a Covered Accident that occurs 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 • flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface 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 Life Policy No. SGM-607014 and Group AD&D Policy No. SOK-605005. 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, **OR** Cigna Life Insurance Company of New York, a Cigna company. The Cigna name, logo, and other Cigna marks are owned by Cigna Intellectual Property, Inc. © Cigna 2015

