

# Voluntary Term Life Insurance Overview

Prepared for the employees of Ukpeagvik Inupiat Corporation



## What would happen to your family if you and your income were gone?

- Could they maintain their standard of living?
- Pay for college

Three in 10 households carry no life insurance on anyone in the household.

*Household Trends in U.S. Life Insurance*

Half of U.S. households now believe they are underinsured.

*Household Trends in U.S. Life Insurance Ownership.*

## Voluntary Term Life Insurance Coverage – paid by you

### Employee –

All other active, full-time US employees of the Employer regularly working a minimum of 32 hours per week excluding Full-Time Board Directors.

- Benefit Amount – Units of \$10,000 to the lesser of 5 times annual compensation to \$500,000
- Maximum – Units of \$10,000 to the lesser of 5 times annual compensation to a maximum of \$500,000 rounded to the nearest \$1,000
- Coverage begins on the first of the month coinciding with or next following date of hire
- Benefit Reduction Schedule – Providing you are still employed, your coverage will decrease to 65% at age 70, 50% at age 75

**Your Spouse\*** — Up to age 80 is eligible provided that you apply for and are approved for coverage for yourself.

- Benefit Amount – Units of \$5,000 to \$500,000
- Maximum – \$500,000
- Coverage amount cannot exceed 100% of the employee's coverage amount
- Coverage begins first of the month coinciding with or next following date of hire

**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 – Units of \$2,000
- Birth to 6 months - \$1,000
- 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.



## How Much Your Coverage will Cost per Month

Age	Employee Smoker Cost Per \$1,000	Employee Non Smoker Cost Per \$1,000	Age	Spouse Uni-Smoker Cost Per \$1,000	Benefit	Premium Cost
<30	\$0.10	\$0.056	<30	\$0.099	Voluntary Child per \$1,000 of Coverage Elected	\$0.262
30-34	\$0.138	\$0.064	30-34	\$0.109		
35-39	\$0.195	\$0.084	35-39	\$0.138		
40-44	\$0.292	\$0.118	40-44	\$0.217		
45-49	\$0.487	\$0.195	45-49	\$0.388		
50-54	\$0.788	\$0.328	50-54	\$0.636		
55-59	\$1.099	\$0.501	55-59	\$0.920		
60-64	\$1.354	\$0.677	60-64	\$1.410		
65-69	\$2.388	\$1.331	65-69	\$2.603		
70-74	\$3.969	\$2.484	70-74	\$4.532		
75+	\$6.401	\$4.920	75+	\$8.703		

\* Spouse coverage ends at age 80

\* Costs are subject to change

### Cost Calculation Example

	Age	Monthly Cost per \$1,000		Benefit				Monthly Cost
Example	33	.06	X	100,000	÷	1,000	=	\$6.00
<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 80% 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.

### Waiver of Premium

If you are totally disabled prior to age 60 and can't work for at least 3 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.

#### **Extended Death Benefit**

The extended death benefit ensures that if you become disabled prior to age 65, and die before 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.

#### **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**

This plan will not pay benefits if loss of life is the result of suicide that occurs within the first two years of coverage.

### **Programs Included at No Additional Cost**

#### **Cigna Healthy Rewards<sup>®</sup> Program**

Program provides you and your covered family member's discounts on health programs and services like weight loss management, fitness, smoking cessation and more. Enjoy instant savings of up to 60% when you take advantage of this opportunity. Visit [www.Cigna.com/rewards](http://www.Cigna.com/rewards) (Password: savings) or call: 800.258.3312.

#### **Cigna's Online Will and Health-related Legal Document and Funeral Preparation Program**

Offers you and your covered spouse access to a website that helps you build state-specific customized wills and other legal documents as well as create an end-of-life plan that spells out the handling of your estate and funeral arrangements. Visit [www.Cignawillcenter.com](http://www.Cignawillcenter.com).

#### **Cignassurance<sup>®</sup> for Beneficiaries**

Provides your family with bereavement counseling with certified specialists, financial information from experienced professionals and legal consultation services.

#### **Cigna's Identity Theft Program**

Provides access to personal case managers who give step-by-step assistance and guidance if you have had your identity stolen.

This information is a brief description of the important features of the plan. It is not a contract. Terms and conditions of life insurance coverage are set forth in Group Policy No. FLX-964646, issued in Delaware to Ukpeagvik Inupiat Corporation. 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, 1601 Chestnut Street, Philadelphia, PA. 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 2011

