

Group Term Life

Post-tax Benefits

In this section...

- Basic Life features
- Optional insurance
- Personal Accident insurance
- Dependent Life features

Plan Provider: Underwritten by Life Insurance Company of North America, a CIGNA company

The School District of Palm Beach County is always looking for ways to improve your benefits plan and wants you to have the opportunity to apply for the life coverage you need at a price you can afford. Getting the income protection needed to guard against life's uncertainties shouldn't be difficult or expensive. That's why the School District of Palm Beach County is offering you a life benefits plan from the Life Insurance Company of North America. This coverage is designed to help provide your family with a financial foundation that you can build upon. You have the opportunity to benefit from all that the Life Insurance Company of North America offers, including:

- Basic Life and Personal Accident Insurance (Employer Paid)
- Optional Life Insurance and Personal Accident Insurance (Employee Paid)
- Spouse Life and Personal Accident Insurance (Employee Paid)
- Dependent Life Insurance (Employee Paid)

Please Note: The Eligibility Waiting Period for both Basic Life and Accident is the 1st day of the month following 30 days of employment for both current and new employees.

You must submit a completed Statement of Health form directly to the Life Insurance Company of North America to the address noted below by December 7, 2010.

Submission of an incomplete application will not extend the deadline.

Life Insurance Company of North America
P.O. Box 20310
Lehigh Valley, PA 18003-9924
Fax: 800.440.0856

Basic Life Insurance

Protecting your family's future is no doubt one of your highest priorities. One way to help achieve this goal is through life insurance. Your employer provides you with a valuable Basic Life Insurance plan at no cost to you.

What are my Basic Life Insurance benefits?

Your employer provides you with Basic Life Insurance coverage in the amount of \$20,000 for full-time employees, and \$10,000 for part-time employees. This benefit is provided at no cost to you.

What are the Basic Life Insurance features?

- Conversion
- Accelerated Benefits
- Waiver of Premium

For more information regarding these features, please refer to the Product Features section.

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

Dependent Children

Coverage available: life insurance only

Amount of Coverage available: For dependent child(ren) from age 6 months to 19 years, or 25 years of age if a student and who is primarily financially supported by employee

Personal Accident Insurance Coverage

The Life Insurance Company of North America insurance products are designed to provide full-time protection against accidental death or injuries – 24 hours a day, 365 days a year.

What benefits are available?

When enrolled in Basic Life Insurance coverage, you automatically receive Personal Accident Insurance in an amount equal to your Basic Life Insurance coverage. Provided alongside your Basic Life Insurance, this coverage is designed to help safeguard you and your family from a financial loss due to an unexpected accidental death or injury.

The Life Insurance Company of North America and School District of Palm Beach County know that you are the best judge of your life insurance needs.

Two Options are available:

Life insurance only

Option One \$5,000* at a **monthly** rate of
\$.30 for all children

Option Two \$10,000* at a **monthly** rate of
\$.60 for all children

*For dependent child(ren) from live birth to 6 months, the benefit is \$1,500. There is no matching amount of Accident coverage for children.

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Optional Insurance

What benefits are available?

In addition to your Basic Life Benefits, your employer is offering the opportunity to purchase additional term life insurance protection through the Life Insurance Company of North America's Optional Life Insurance program. This benefit is designed to help provide financial security for you and your family. Since this coverage is an employee-paid benefit, premiums will be conveniently deducted from your paycheck post-tax. The monthly cost of both Optional Life and Personal Accident Insurance is only \$3.28 per \$20,000 of coverage.

What are my options? What are the maximum amounts I can apply for?

After carefully considering your lifestyle and utilizing the tools provided, you can decide just how much life insurance protection is right for you.

Guaranteed Issue: New Hires

At the time of hire and during the benefit selection process, a new hire employee may select up to five (5) times their basic annual salary in \$20,000 increments, not to exceed \$500,000, with a minimum selection amount of \$20,000. A Statement of Health form is required for coverage exceeding \$100,000. The

For optional spouse life, an employee may select optional spouse coverage in \$10,000 increments, not to exceed 50 percent of the employee-optional coverage, with a minimum amount of \$10,000 and a maximum amount of \$250,000. A Statement of Health form for the spouse is required for coverage exceeding \$50,000.

For optional child life, an employee may select optional child coverage in \$5,000 increments with a minimum amount of \$5,000 and a maximum amount of \$10,000. A Statement of Health form is NOT required for either election as both elections are guaranteed issue. The following age limit payout and eligibility applies:

- Live Birth to 6 months: \$1,500
- 6 months to 19 years (25 if full time student): \$5,000 or \$10,000

During Annual Enrollment

You may enroll for an additional \$20,000 of optional term life for yourself without providing a statement of good health, as long as you are currently enrolled for optional term life and carry less than five times your annual salary or \$100,000 (whichever is less) of coverage.

For other optional coverage on yourself, your spouse or dependent child(ren), you may also apply at annual enrollment.

What are the Optional Life Insurance features?

- Conversion
- Accelerated Benefits
- Will Preparation Services
- Waiver of Premium

For more information regarding these features, please refer to the Product Features section.

Optional Life coverage is provided under group insurance policy FLX-980074, issued in Florida to your employer by the Life Insurance Company of North America. Optional Life coverage under your employer's plan terminates when you are no longer eligible, your employment ceases, when your Optional Life contributions cease or upon termination of the group contract by your employer upon prior written notice to the Life Insurance Company of North America. Optional Life insurance does not provide payment of benefits for death caused by suicide within the first two years (one year in North Dakota) of the effective date of the certificate, or payment of increased benefits for death caused by suicide within two years (one year in North Dakota) of an increase in coverage. (This exclusion does not apply in Missouri and Washington.) This coverage may also be discontinued by the Life Insurance Company of North America for non-payment of premium or if participation requirements are not met.

Note: If you are covered as an employee, you cannot also be covered as a spouse or dependent child. No person may be eligible for insurance under this Policy as both an Employee and a Spouse at the same time.

Your dependent child(ren) may be enrolled for Optional Dependent Child(ren) Life Insurance under one insured employee's plan of benefits. You may either be enrolled as an employee or a dependent but not covered and enrolled under both classifications.



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Personal Accident Insurance

Provided alongside your Optional Life Insurance, Personal Accident Insurance offers a matching amount of Personal Accident Insurance benefits in addition to the Personal Accident Insurance coverage that your employer has made available to you.

What benefits are available?

When you enroll in Optional Life Insurance, you are automatically enrolled in Personal Accident Insurance. The benefit amount for Personal Accident Insurance is equal to the benefit amount for Optional Life. Since this coverage is an employee-paid coverage, post-tax premiums will be conveniently deducted from your paycheck.

What are the Personal Accident Insurance features?

- **For Wearing a Seat belt and Protection by an Airbag** - Death benefits will be increased by 10%, but not by more than \$25,000, if the insured person dies as a direct result of injuries in a covered automobile accident while wearing a properly fastened seat belt. We will increase the death benefit by an additional 5%, but not more than \$10,000, if the insured person was in a seat protected by a properly functioning and deployed airbag.
- **For Child Care Expense** - We will pay a benefit for a surviving child under 13 who is enrolled in a licensed child care center at the time of the accident or within 90 days afterward. This benefit is 3% of the benefit amount, to a maximum of \$3,000 a year for 4 straight years or until the child turns 13, whichever occurs first.
- **For Home Alteration and Vehicle Modification** - If you or your insured spouse requires home alteration or vehicle modification within one year of a covered accident, we will pay 10% of your benefit amount, to a maximum of \$25,000, for alterations or modifications that are physician-certified as necessary for an independent lifestyle.
- **For Rehabilitation** - If you or your insured spouse incurs rehabilitative expenses within two years of a covered loss, we will pay an additional 5% of the benefit amount, up to \$10,000, for each covered accident.
- **For Furthering Education** - If you die in a covered accident, we will pay an extra benefit for each insured child who is enrolled in a school of higher learning or is in the 12th grade and enrolls within one year of the accident. We will increase your benefit amount by 3%, up to \$3,000, for each qualifying child. This benefit is payable each year for four consecutive years as long as your children continue their education. If there is no qualifying child, we will pay an additional \$1,000 to your beneficiary.

- **For Training for Your Spouse** - If you die in a covered accident and your insured spouse enrolls, within three years of your death, in an accredited school to gain skills needed for employment, we will pay the actual cost of this education or training program, up to 3% of your benefit amount, not to exceed \$3,000.

Rates (Monthly)

Optional Life & Accident Insurance

Employee Only \$3.28 per \$20,000 of coverage

Spouse \$5.90 per \$10,000 of coverage

How Much Coverage Can I Buy?

You – You will automatically receive an amount equal to your voluntary life insurance benefit in effect under Policy Number FLX-980074, underwritten by Life Insurance Company of North America.

Your Spouse – an amount equal to your voluntary life insurance benefit in effect under Policy Number FLX-980074, underwritten by Life Insurance Company of North America.

Your Children – 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.

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.

What is not covered?

- (1) self-inflicted injuries or suicide, while sane or insane;
- (2) commission or attempt to commit a felony or an assault;
- (3) any act of war, declared or undeclared;
- (4) any active participation in a riot or insurrection;
- (5) bungee jumping; parachuting; skydiving; parasailing; hang-gliding;
- (6) sickness, disease, physical or mental impairment or medical or surgical treatment thereof, or bacterial or viral infection, regardless of how contracted. (This does not include bacterial infection that is the natural and foreseeable result of an accidental external cut or wound, or accidental food poisoning.)

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- (7) voluntarily using any drug, narcotic, poison, gas or fumes, except one prescribed by a licensed physician and taken as prescribed;
- (8) 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;
- (9) 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);
- (10) traveling in an aircraft that is owned, leased or controlled by the sponsoring organization, or any of its subsidiaries or affiliates;
- (11) flying in, boarding or alighting from an aircraft or any craft designed to fly above the earth's surface, except as a passenger on a regularly scheduled commercial airline; that is: an ultralight or glider; designed to be used in outer space; being used by any military authority, except 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; being used for parachuting, hang-gliding, crop dusting, spraying or seeding, giving and receiving flying instruction, fire fighting, sky writing, skydiving, pipeline or power line inspection, aerial photography, or exploration, racing, endurance tests, stunt or acrobatic flying, or any operation that requires a special permit from the FAA, even if it is granted (this does not apply if the permit is required only because of the territory flown over or landed on).

- (12) services or treatment rendered by a physician, nurse or any other person who is employed or retained by the subscriber or who is providing homeopathic, aroma-therapeutic or herbal therapeutic services, living in the covered person's household or a parent, sibling, spouse or child of the insured.

What are the Dependent Life Insurance features?

Conversion

Dependent Life Insurance coverage is provided under a group insurance policy (Group Policy Number 980074, on Policy Form TL-004700; issued in Florida) issued to your employer by the Life Insurance Company of North America.

Dependent Life coverage terminates when Dependent Life contributions cease, upon the death of the employee, when a dependent no longer qualifies as a dependent, or upon termination of the group contract by your employer upon prior written notice to the Life Insurance Company of North America.

This coverage may also be discontinued by the Life Insurance Company of North America for non-payment of premium or if participation requirements are not met. Dependent Life insurance does not provide payment of benefits for death caused by suicide within the first two years (one year in North Dakota) of the effective date of the certificate, or payment of increased benefits for death caused by suicide within the first two years (one year in North Dakota) of an increase in coverage (except in Missouri, Washington, and Massachusetts).

Product Features

- **Accelerated Death Benefit – Terminal Illness** – Up to 50% of the death benefit (not to exceed \$250,000) may be advanced to the insured who is diagnosed with a terminal illness (life expectancy of 12 months or less) by two unaffiliated physicians. This benefit is payable only once in the insured's lifetime, and will reduce the life insurance death benefit.
- **Will Preparation Services** – Online interactive tool helps covered employees and their spouses create a will and other legal documents. The site also provides access to other valuable financial educational materials.
- **Conversion** – If your coverage is reduced or ends due to age, disability or termination of employment, you can obtain an individual whole life policy, without proof of good health. To convert coverage, you must apply for the conversion policy and pay the first premium payment within 31 days after your group coverage ends. Eligible family members may convert their coverage as well. Converted policies are subject to additional restrictions if you convert because of termination or amendment of the group policy.



CIGNA's Will Preparation Program

CIGNA makes it easy for you to take charge of those difficult life and health legal decisions. There are no more reasons to hesitate planning for the future with our online will preparation services. Available to individuals who have CIGNA's Group life, accident, or disability coverage.

Think you don't need a will or living will?

If you're like most people, you don't like thinking about planning for your death. However, there are many good reasons why it's very important to have a will no matter what your personal circumstances might be. For example, to have a say in your healthcare treatment if you're not able to speak for yourself, to assign guardianship for minor children, and to secure your assets.

Think you don't have enough assets to need a will?

Nearly one in four (24%) of American adults say their biggest reason for not having a will is a lack of sufficient assets¹. Not having a will puts your family in the position of having to guess about how to manage your personal and financial assets after your death.

Think you can't afford to create a will?

Now you can! CIGNA's Will Center allows you to easily complete essential life and health legal documents online at no cost to you.

Not sure how to develop your will?

Don't worry. CIGNA's Will Center is secure, easy to use, and available to you and your covered spouse seven days a week, 365 days a year. And, if you have any questions, phone representatives are available to assist you via a toll-free number². Once registered on the site, you will have direct access to a Personal Estate Planning web page, where you can:

- create and maintain your personalized legal documents
- follow an intuitive, interactive question and answer process to create state-specific legal documents tailored to your situation
- preview, edit, download and print your legal documents for execution

It's easy! Go to CIGNAWillCenter.com

To access your Personal Estate Planning web page, simply complete the online form and register as a new user. When prompted for a registration code, provide your date of birth plus the last four digits of your Social Security number. Once this is completed you can immediately start building your will and other legal documents.

¹ National Association of Estate Planners and Councils. "Wills 101: Everything You Know But Don't Want to Think About." June 2006.

² No legal advice is provided.



Now is the time to get started. Visit CIGNAWillCenter.com to create your own personalized:

Last Will & Testament – specifies what is to be done with your property when you die, names the executor of your estate and allows you to name a guardian for your minor children.

Living Will – contains your wishes regarding the use of extraordinary life support or other life-sustaining medical treatment.

Healthcare Power of Attorney – allows you to grant someone permission to make medical decisions if you are unable to make them yourself.

Financial Power of Attorney – allows you to grant someone permission to make financial decisions on your behalf if you are unable to make them yourself.

Plus, find information on:

- **Estate Planning**
- **Identity Theft Information Kit**
- **CIGNA's Life and Disability Planning Kits** – access insurance calculators to determine whether you and your family have sufficient coverage for the future.

it's time to feel better



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- **Conversion Provisions** - If you retire, terminate employment, or cease being an actively at work employee (regardless of pay status):

1. You and your dependents may be eligible to convert your optional coverage to an individual permanent policy.
2. If you are retiring, you may be eligible to continue up to \$50,000 of your Employee Only optional coverage on an age-rated premium basis. Coverage terminates at age 70. Premiums are paid on an annual basis.

- **Voluntary Term Life Coverage Reduction** - At age 70, providing you are still employed, your coverage will decrease to 65% of the benefit amount. It will decrease to 45% at age 75, and to 30 % at age 80 .Premiums and coverage for your spouse will end at age 70; at that time your spouse may choose to convert this coverage to a permanent life insurance policy.

You must submit your application to continue coverage within 31 days of termination and pay your premium. See your certificate of coverage booklet from the carrier for more details. It is the sole responsibility of the employee to apply for this benefit.

- **Waiver of Premium (If you become totally disabled)** - To make sure you can keep the life insurance protection you need during a difficult period of your life, this plan provides a waiver of premium feature. If you are totally disabled prior to age 60 and can't work for at least 12 months, your coverage will continue and you won't need to pay premiums for your coverage while you are disabled, provided the insurance company approves you for this benefit. You must continue to pay premiums until 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 for this benefit and have insured your spouse or children, the premium for their coverage is also waived.

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- **Coverage Reduction for Optional Life plans** – At age 70, your coverage amount reduces to 65 percent. At age 75, your coverage reduces to 45 percent, and at age 80, coverage is reduced to 30 percent. When your coverage reduces, any dependent insurance you've purchased will reduce by the same percentage.
- **Online Plan Description** – you will be able to review any of these benefits and their provisions in more detail through the School District of Palm Beach County's website at www.palmbeach.schools.org/riskmgmt.

This summary provides an overview of your plan's benefits. These benefits are subject to the terms and conditions of the contract between the Life Insurance Company of North America and the School District of Palm Beach County. Specific details regarding these provisions can be found in the booklet certificate of coverage. If you have additional questions regarding the Life Insurance Program underwritten by the Life Insurance Company of North America, please contact your Benefits Administrator.

Coverage is underwritten by: Life Insurance Company of North America, 1601 Chestnut Street, Philadelphia, PA 19192.

A certificate of coverage for your Group Term Life Plan is available online at www.palmbeach.schools.org/riskmgmt or can be accessed by contacting the Risk & Benefits Management Department at (561)434-8580.

Licensed Resident Agent: Christine Carolyn Wise

License #E026735

Did you read about...

- **Basic Life description?**
- **Optional features?**
- **Dependent Life options?**