

# Basic Term Life, Basic Personal Accident Insurance Overview

Prepared for the employees of  
The City of Huntington Beach - Class 1



## 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** – All active, full-time employees of the Employer classified as Huntington Beach Firefighter's Association (HBFA), regularly working a minimum of 20 hours per week.

### Benefit Amount

Employee \$50,000  
Spouse \$1,500  
Child \$1,500

- Benefit Reduction Schedule – Benefits will reduce to 65% at age 70 and 50% at age 75.

## 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 inforce or \$37,500, 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 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. No additional premium payment is required for the extended coverage.

### Waiver of Premium

If you are totally disabled prior to age 70 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.

### 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.

## Personal Accident Insurance Coverage

### Basic Personal Accident Insurance Coverage – *paid by your employer*

**Employee** – All active, full-time employees of the Employer classified as Huntington Beach Firefighter's Association (HBFA), regularly working a minimum of 20 hours per week.

#### Benefit Amount

Employee \$50,000

Spouse \$1,500

Child \$1,500

- Benefit Reduction Schedule – Benefits will reduce to 65% at age 70 and 50% at age 75.

### 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 100% benefit but not more than \$10,000 if the covered person dies in an automobile accident while wearing a seatbelt. We will increase the benefit by an additional 100% 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 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.

### 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. 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. FLX965003 and Group Policy No. OK966605. 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