

Group Life Insurance

For Employees of The City of San José (Plan 3 Vantage)
Answers To Your Questions About Coverage From Standard Insurance Company





About This Booklet

This booklet is designed to answer some common questions about the group Basic and Additional Life insurance coverage being offered by your *employer* to eligible employees. It is intended to provide a summary, but not a detailed description of the coverage. Please refer to the group insurance certificate for detailed coverage information.

If you become insured, a group insurance certificate, containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events, will be made available to you. The controlling provisions will be in the *group policy* issued by Standard Insurance Company (The Standard). Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact your Human Resources representative.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet.

Group Basic and Additional Life Insurance

It's not easy to think about, but what if you suddenly died? Your family could be faced with house payments, unpaid bills, childcare and other expenses just to maintain their current lifestyle. Could your family live without your income? Would your family be able to cover the medical expenses associated with a terminal illness or with burial and funeral expenses?

You make a great investment in your family. You spend time with them. You care for them. You work for them. And if you're not there for them, you want them protected. Your employer provides you with a basic amount of Group Life insurance to help protect your loved ones in the event of your death. Since every employee's needs are different, your employer also provides you with the opportunity to apply for Additional Life insurance from The Standard.

The advantages of the Additional Life Insurance to you and your loved ones include:

- **Choice** – You decide how much coverage you need from the range of amounts available.
- **Flexibility** – If your needs change, you can request to change the amount of coverage. Some, but not all, increases in coverage require *evidence of insurability*.
- **Convenience** – With premiums deducted directly from your paycheck, you don't have to worry about mailing monthly payments.
- **Peace of mind** – You can take comfort and satisfaction in knowing that you have done something positive to protect your family's future.

Commonly Asked Questions

The following information provides details to give you a better understanding of group Basic and Additional Life insurance available from The Standard.

Am I eligible for these coverages?

To be eligible for this plan you must be a *member*. You are a *member* if you are one of the following:

- An active full-time benefited employee of the City of San José, as defined in the Civil Service Rules.
- The Mayor or City Council member of the City of San José, or an active full-time benefited contract employee of the Mayor or City Council member, as defined in the Civil Service Rules.
- A person described above who is retired under the City's retirement program.

You are not eligible for coverage if you are a temporary or seasonal employee (other than a full-time temporary classified employee), or a full-time member of the armed forces.





When does my insurance go into effect?

The effective date of your coverage depends on when you become an eligible *member*, when you apply for Additional Life insurance (if applicable) and whether you are required to provide *evidence of insurability*.

Basic Life and AD&D Insurance:

If you are an active employee, your Basic Life coverage becomes effective on the date you become eligible.

If you are a retiree and you wish to be insured for Basic Life Insurance you must apply within 31 days following retirement. You will not be eligible to apply for coverage at a later time. If you become insured and you later drop coverage, you will not be eligible to become insured again.

If you are an active employee, you must meet the *active work* requirement before your insurance becomes effective.

Additional Life and AD&D Insurance:

Additional Life and AD&D coverage is only available to active employees.

If you are not required to provide *evidence of insurability*, and you enroll and agree to pay premiums, your Additional Life coverage under this new Vantage plan becomes effective on the latest of May 1, 2013, the date you become eligible, and the date you enroll.

If you are required to provide *evidence of insurability*, and you apply and agree to pay premiums, your Additional Life coverage becomes effective on the later of May 1, 2013 and the first day of the calendar month following the date The Standard approves your *evidence of insurability*.

You must meet the *active work* requirement before your insurance becomes effective.

Dependents Life Insurance:

If *evidence of insurability* is not required, and you enroll and agree to pay premiums, your Dependents Life coverage under this new plan becomes effective on the latest of May 1, 2013, the date you become eligible to insure your *dependents*, and the date you enroll.

If *evidence of insurability* is required, and you apply and agree to pay premiums, Dependents Life coverage for each *dependent* becomes effective on the later of May 1, 2013 and the first day of the calendar month following the date The Standard approves the *dependent's evidence of insurability*.

You must meet the *active work* requirement before your insurance becomes effective.

What is the active work requirement?

Active work means performing with reasonable continuity, the material duties of your own occupation at your *employer's* usual place of business. You must be capable of *active work* on the day before the scheduled effective date of your insurance (or increase in insurance) or your insurance will not become effective as scheduled. If you are not *actively at work* on the day before the scheduled effective date of insurance your insurance will not become effective until the day after you complete one full day of *active work* as an eligible employee.

How much Basic Life coverage does the employer provide?

The City of San José provides active employees with a basic amount of Group Life with AD&D insurance. These amounts are listed below:

• Management employees, including the Mayor and City Council members:	2 times your annual earnings, rounded to the nearest \$1,000, to a maximum of \$750,000.
• Non-management employees:	
Units 1 and 11 (Police)	\$10,000
Unit 2 (Fire)	\$10,000
Unit 3 (Building, Mechanic and Electric Inspectors)	\$20,000
Units 6 and 9 (Operating Engineers/Local #3)	\$20,000
Units 5 and 7 (MEF)	\$20,000
Unit 13 (Electrical Workers)	\$20,000
Unit 17 (Airport Officers)	\$10,000
Unit 19 (Unrepresented)	\$20,000
Unit 50 (Confidential)	\$20,000
San José Sports Authority Members	\$10,000
San José Arena Authority Members	\$10,000





The City of San José makes the following amounts of basic group Life with AD&D insurance available to retirees. If you are a retiree, you must apply for this coverage within 31 days following your retirement. You will not be eligible to apply at a later time. If you become insured and you later drop coverage, you will not be eligible to become insured again.

- **Former management employees who:**

Retired on or after November 1, 1978:

Under age 65	\$20,000
Age 65 through 69	\$10,000
Age 70 or over	\$ 5,000

Retired between February 1, 1969 and October 31, 1978:

Under age 65	\$ 5,000
Age 65 or over	\$ 2,500

Retired before February 1, 1969:

Under age 65	\$ 1,500
Age 65 or over	\$ 750

- **Former non-management employees who:**

Retired on or after February 1, 1969:

Under age 65	\$ 5,000
Age 65 or over	\$ 2,500

Retired before February 1, 1969:

Under age 65	\$ 1,500
Age 65 or over	\$ 750

How much Additional Life coverage may I get for myself?

If you are an eligible active employee, you may apply for Additional Life coverage in any multiple of \$10,000 up to \$750,000 (not to exceed an amount equal to 6 times your annual earnings, rounded to the next higher multiple of \$10,000, if not already a multiple of \$10,000).

Evidence of insurability is required in certain circumstances, and is waived at certain times. See **Will my dependents and I have to provide information regarding our medical histories?** (on page 11).

Note: If on April 30, 2013 you are insured under the old Additional Life plan providing coverage in multiples of your annual earnings and you wish to remain in that plan, you may do so. You may not be insured under both the old Additional Life plan and the new Vantage Additional Life plan described above. The premium rate for coverage under the old plan is different from premium rates shown in this booklet. If your coverage under the old Additional Life plan ends, you may not become insured again under that plan.



How much coverage may I get for my spouse/domestic partner and children?

This plan also includes Dependents Life insurance from The Standard.

Eligible active employees who are insured for Basic Life coverage may apply for Dependents Life coverage as follows:

- You may apply for *spouse/domestic partner* coverage in units of \$10,000 to a maximum of \$250,000, but not to exceed 100 percent of your combined Basic and Additional Life coverage amount.
Note: There is a matching AD&D insurance benefit for *spouses/domestic partners*.
- You may apply for \$5,000 or \$10,000 of *child* coverage, not to exceed 100 percent of your combined Basic and Additional Life coverage amount. There is no matching AD&D insurance for *children*.

Evidence of insurability is required in certain circumstances, and is waived at certain times. See “**Will my dependents and I have to provide information regarding our medical histories?**” (on page 11).

Note: If on April 30, 2013 you are insured under the Dependents Life plan providing coverage in multiples of \$2,000 up to \$10,000 and you wish to remain in that plan, you may do so. It does not include AD&D coverage for *dependents*. You may not be insured under both the old Dependents Life plan and the new Vantage Dependents Life plan described above. The premium rate for coverage under the old plan is different from premium rates shown in this booklet.



All retirees who retire after July 1, 1983 are eligible to elect Dependents Life coverage for a *spouse/domestic partner* and *children* for a flat benefit amount of \$1,000. However, retirees must elect this coverage within 31 days of their retirement date. If coverage is not elected within this time period, *dependents* may not become insured.

Is Accidental Death and Dismemberment (AD&D) coverage also included?

This plan also includes AD&D insurance from The Standard. With Basic and Additional AD&D insurance, you or your *beneficiaries* may be eligible to receive an additional amount in the event of death or dismemberment as a result of an accident. For employees insured under the new plan of Dependents Life, AD&D coverage is also provided for covered *spouses/domestic partners*.

The amount of this *AD&D insurance benefit* for accidental loss of life is equal to the amount payable for Life insurance coverage on the date of the accident.

The amount of this *AD&D insurance benefit* for other covered accidental losses is a percentage of the amount payable for Life insurance coverage on the date of the accident, as shown below:

Loss:	Percentage Payable:
One hand or one foot	50 %
Sight in one eye, speech or hearing in both ears	50 %
Two or more <i>losses</i> listed above	100 %
Thumb and index finger on the same hand	25 %
Quadriplegia	100 %
Hemiplegia	50 %
Paraplegia	50 %

The *loss* must occur due to an accident and independently of all other causes, within 365 days after the accident. *Loss of life* must be evidenced by a certified copy of the death certificate. All other *losses* must be certified by a *physician* in the appropriate specialty as determined by us.

How much Additional Life coverage do I need?

It can be difficult to determine the amount of insurance you need. Each family has its own unique set of circumstances, combined with needs that may arise with the unexpected loss of life. Use the worksheet below in calculating the amount of life insurance coverage you may need. The final total is the amount of Additional Life insurance you might want to consider applying for to meet your obligations.

Additional Life Insurance Worksheet	For you	For your spouse/ domestic partner
Immediate Needs		
Medical and hospital expenses	\$ _____	\$ _____
Funeral/Burial expenses	_____	_____
Loans/Debts requiring payment upon death	_____	_____
Taxes		
Federal and state income taxes	_____	_____
Property taxes	_____	_____
Federal and state estate taxes	_____	_____
Long Term Needs		
Mortgage	\$ _____	\$ _____
Debts (credit cards, car and student loans, etc.)	_____	_____
Educational/Vocational fund	_____	_____
Childcare expenses	_____	_____
Emergency fund for unforeseen expenses	_____	_____
Income Replacement		
<i>Consider the income needed to support your family and the number of years they will need that support.</i>	\$ _____	\$ _____
Total Income Needs		
<i>Add together all of the above.</i>	\$ _____	\$ _____
Subtract Available Resources		
Existing life insurance coverage (e.g. Basic Life insurance)	\$ _____	\$ _____
Other assets such as 401(k), stocks, bonds, etc.	_____	_____
Total Additional Life Insurance Needed		
<i>Subtract the amount of your available resources from your total income needs.</i>	\$ _____	\$ _____



How much will the Additional Life and AD&D and Dependents Life and AD&D coverages cost me?

Active employees insured under the *new Vantage plan* of Additional Life – Use the following rates to determine the monthly premium for your Additional Life and AD&D coverage. A monthly administrative fee is added to the cost of coverage.

Employee age on January 1	Rate per \$1,000 of Additional Life
Age 24 and under	\$0.065
Age 25 through 29	\$0.074
Age 30 through 34	\$0.092
Age 35 through 39	\$0.100
Age 40 through 44	\$0.110
Age 45 through 49	\$0.164
Age 50 through 54	\$0.236
Age 55 through 59	\$0.407
Age 60 through 64	\$0.614
Age 65 through 69	\$1.160
Age 70 through 74	\$1.870
Age 75 and above	\$2.080

*Monthly AD&D rate of \$0.020 per \$1,000 of AD&D benefit has been included in each of the above rates.

To calculate the monthly cost of your coverage:

$$\begin{array}{ccccccc}
 \$ & \underline{\hspace{2cm}} & \div & \$1,000 & = & \underline{\hspace{2cm}} & \times & \$ & \underline{\hspace{2cm}} & + & \frac{\$1.08}{\text{Admin fee}} & = & \$ & \underline{\hspace{2cm}} \\
 & \text{Amount of} & & & & & & & \text{Premium rate} & & & & & & \text{Your} \\
 & \text{Life elected} & & & & & & & \text{from table} & & & & & & \text{monthly} \\
 & \text{for self} & & & & & & & \text{above} & & & & & & \text{cost}
 \end{array}$$

Active employees insured under the *new plan* of Dependents Life – Use the following rates to determine the monthly premium for your *spouse/domestic partner's* Dependents Life and AD&D coverage. A monthly administrative fee is added to the cost of coverage.

Employee age on January 1	Rate per \$1,000 of Dependents Life
Age 24 and under	\$0.065
Age 25 through 29	\$0.074
Age 30 through 34	\$0.092
Age 35 through 39	\$0.100
Age 40 through 44	\$0.110
Age 45 through 49	\$0.164
Age 50 through 54	\$0.236
Age 55 through 59	\$0.407
Age 60 through 64	\$0.614
Age 65 through 69	\$1.160
Age 70 through 74	\$1.870
Age 75 and above	\$2.080

*Monthly AD&D rate of \$0.020 per \$1,000 of AD&D benefit has been included in each of the above rates.

To calculate the monthly cost of Dependents Life and AD&D for your *spouse/domestic partner*:

$$\begin{array}{ccccccc}
 \$ & \underline{\hspace{2cm}} & \div & \$1,000 & = & \underline{\hspace{2cm}} & \times & \$ & \underline{\hspace{2cm}} & + & \frac{\$0.06}{\text{Admin fee}} & = & \$ & \underline{\hspace{2cm}} \\
 & \text{Amount of} & & & & & & & \text{Premium rate} & & & & & & \text{Your} \\
 & \text{Dependents} & & & & & & & \text{from table} & & & & & & \text{monthly} \\
 & \text{Life elected} & & & & & & & \text{above} & & & & & & \text{cost}
 \end{array}$$

Active employees insured under the *new plan* of Dependents Life – The monthly cost for your *children’s* Dependents Life coverage is as follows, regardless of the number of *children* covered:

Benefit Amount	Monthly Cost
\$5,000	\$1.00
\$10,000	\$2.00

Retirees only – If you are an eligible retiree who elected \$1,000 of Dependents Life insurance, your cost is \$0.48 per month for Dependents Life insurance, regardless of the number of *dependents* covered.

If you are an eligible retiree who is interested in Voluntary Additional Life insurance, please contact the Department of Retirement Services.

Will my dependents and I have to provide information regarding our medical histories?

If you elect to enroll into Additional Life and AD&D insurance within 30 days of becoming eligible to enroll and meet the *active work* requirement, you will automatically qualify for up to a set amount of insurance coverage called the *guarantee issue amount*. This means that you will not have to answer medical questions (provide *evidence of insurability*) to purchase coverage up to this amount. The *guarantee issue amount* for Additional Life and AD&D insurance is \$200,000.

The same applies to Dependents Life and AD&D coverage. The *guarantee issue amount* for Dependents Life and AD&D insurance for your *spouse/domestic partner* is \$20,000, and all Dependents Life coverage for your children is *guarantee issue*. This means that, if you apply for Dependents Life insurance within 30 days after you become eligible for that coverage, and meet the active work requirement, *evidence of insurability* will not be required to become insured for the *guarantee issue amounts*.

Subject to the exceptions noted on the next page, if you apply more than 30 days after becoming eligible, wish to increase your coverage amount, or determine that you need more insurance than the *guarantee issue amount*, satisfactory *evidence of insurability* is required. You and your *dependents* (as applicable) will need to complete and submit a Medical History Statement. In some cases, The Standard may request additional medical information or a physical exam. *Evidence of insurability* is also required for reinstatement of terminated coverage and for employees and *dependents* who previously submitted *evidence of insurability* that was not approved.



EXCEPTIONS: *Evidence of insurability* will be waived in the following instances.

ANNUAL ENROLLMENT: *Evidence of insurability* will be waived as follows, if you apply during an *annual enrollment period*, unless *evidence of insurability* was previously submitted to The Standard and was not approved or *evidence of insurability* is required for reinstatement of terminated coverage:

- To increase the amount of your Vantage Additional Life coverage by \$10,000 (not to exceed the \$200,000 *guarantee issue amount*), if you are already insured for Additional Life insurance under the new plan.
- To become insured for an amount of Additional Life and AD&D under the new Vantage plan that is equal to or less than the amount of your Additional Life and AD&D in effect under the old plan on (rounded to the next higher multiple of \$10,000, if not already a multiple of \$10,000).

FAMILY STATUS CHANGE: *Evidence of insurability* will be waived as follows, if you apply within 30 days following a family status change, unless *evidence of insurability* was previously submitted to The Standard and was not approved or *evidence of insurability* is required for reinstatement of terminated coverage:

- To become insured for or increase Additional Life coverage under the new plan, not to exceed a total Additional Life insurance amount of \$200,000 (the *guarantee issue amount*).

How do I get Additional Life insurance coverage?

To enroll into Additional Life insurance with guaranteed coverage, enroll online at <https://standard.com.benselect.com/sanjoseca>. You can apply for Additional Life insurance and Dependents Life Insurance at any time, but remember if you apply more than 30 days after becoming eligible, satisfactory *evidence of insurability* may be required. Coverage subject to *evidence of insurability* is not effective until the first day of the calendar month following the date of approval by The Standard.

For technical assistance using the online enrollment system, please call The Standard's help desk assistance line from 7:30 am to 5:30 p.m. Central Time at 866.623.0622.

What happens if I become totally disabled and can't work?

The Standard will continue your Basic and Additional Life insurance and Dependents Life insurance without premium payments if:

- You are an active employee
- You become *totally disabled* while insured under the *group policy*
- With regard to Additional Life insurance, you are under the age of 55
- With regard to Basic Life insurance and Dependents Life insurance, you are under the age of 60

- You complete the *waiting period* of 180 days
- You provide The Standard with satisfactory proof of *total disability*

The Waiver of Premium provision does not apply to the AD&D insurance.

What happens if I become terminally ill?

Under the *Accelerated Benefit* provision, if you are an active employee you may be eligible to receive up to 75 percent, or a maximum of \$500,000, of your Basic and Additional Life insurance coverage if you become terminally ill, have a life expectancy of less than 12 months and meet other eligibility requirements.

This benefit allows you to use the proceeds as you desire — whether to cover medical expenses or to maintain your quality of life. The amount of Basic and Additional Life insurance payable upon your death is reduced by the *Accelerated Benefit* paid and an interest charge. However, to help protect your *beneficiaries*, The Standard will pay at least 10 percent of the original Basic and Additional Life coverage amount at that time even if interest charges on the accelerated amount would have exhausted the remaining benefits over time.

Are there any other benefits with Basic and Additional coverage from The Standard?

The Standard pays an additional benefit, the Repatriation Benefit, if you die more than 200 miles from your primary place of residence. The Standard will pay for expenses, up to a benefit maximum, incurred to transport your body to a mortuary near your primary place of residence.

The Standard includes a travel assistance program that provides a full range of 24-hour medical, legal and travel assistance services to you and your dependents when you travel more than 100 miles from home or in a foreign country.¹

The advantages of the Additional Life Insurance to you and your loved ones include:

- **Seat Belt Benefit.** The *Seat Belt Benefit* provides an additional benefit in the event you or your *spouse/domestic partner* dies as a result of an *automobile* accident while properly wearing and using a *seat belt system* and an AD&D benefit is payable.
- **Air Bag Benefit.** The *Air Bag Benefit* provides an additional benefit in the event you or your *spouse/domestic partner* dies as a result of an *automobile* accident for which a *Seat Belt Benefit* is payable and the automobile is equipped with an *air bag system* which deployed, as evidenced by a police accident report, and the deceased was seated in the driver's or passenger's seat intended to be protected by the *air bag system*.
- **Family Benefits Package.** The Family Benefits Package includes the *Child Care Benefit*, *Higher Education Benefit* and *Career Adjustment Benefit*. It provides your eligible family members with additional financial help for childcare, college or career training.

¹ Provided through an agreement with MEDEX® Assistance Corporation.



- **Public Transportation.** The *Public Transportation* provision provides an additional benefit in the event of death as a result of an accident that occurs while you are riding as a fare-paying passenger on *public transportation*.
- **Occupational AD&D Benefit.** The *Occupational AD&D Benefit* provision provides an additional benefit if you suffer death or dismemberment as a result of an accident arising out of the course of your employment with the *employer*.

What are the exclusions?

AD&D insurance benefits are not payable for death or dismemberment caused or contributed to by:

- *War* or act of war, declared or undeclared, whether civil or international, and any substantial armed conflict between organized forces of a military nature
- Suicide or other intentionally self-inflicted *injury* while sane or insane
- Sickness or pregnancy existing at the time of the accident
- Heart attack or stroke
- Medical or surgical treatment for any of the above

When does coverage end?

Basic and Additional Life coverage end automatically on the earliest of the following (unless premiums are waived while you are *totally disabled*):

- The date the last period ends for which a premium was paid
- The date your employment terminates, unless you become covered as a retiree
- The date the *group policy* terminates
- The date you cease to be an eligible employee; however, insurance may continue for limited periods under certain circumstances

Dependents Life coverage for your *spouse/domestic partner* and *children* ends automatically on the earliest of the following (unless premiums are waived while you are *totally disabled*):

- Five months after the date you die
- The date your Group Life insurance ends
- The date the Dependents Life insurance terminates under the *group policy*
- The date the last period ends for which a premium was paid for your Dependents Life insurance
- When the *dependent* ceases to be an eligible *dependent*
- For your *spouse/domestic partner*, the date of your divorce or legal separation, or termination of your *domestic partner* relationship
- For a *child* who is disabled, 90 days after The Standard mails you a request for proof of *disability*, if proof is not given

AD&D insurance for you and your *spouse/domestic partner* will automatically end on the earliest of the following:

- For you, the date your Additional Life insurance ends
- For your *spouse/domestic partner*, the date his/her Dependents Life insurance ends
- The date your *Waiver of Premium* begins
- The date the last period ends for which a premium was paid for AD&D insurance
- The date the AD&D insurance terminates under the group policy

If my Life insurance ends or is reduced, may I convert to an individual policy?

If your Life insurance from The Standard ends or is reduced for any reason other than failure to pay premiums, you may be able to convert the terminated coverage to certain types of individual life insurance policies without providing *evidence of insurability*. You must apply for conversion and pay the required premium within 31 days after group coverage ends or is reduced. AD&D coverage may not be converted under this provision.

May I buy group life coverage after I leave my employer?

If your insurance ends because your employment terminates, you may be eligible to buy group life insurance from The Standard through the *Portability* provision, assuming you meet the eligibility requirements. Please see your Human Resources representative for additional information.

What if I have additional questions?

If you have any additional questions, please contact your Human Resources representative.



About Standard Insurance Company

Standard Insurance Company has earned a solid reputation for its quality products, expert resources, superior service, steady growth, innovation and strong financial performance. Founded in 1906, The Standard is a leader in the group disability and life insurance market, while also offering individual disability, group dental and retirement plans for groups and individuals.

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