

Term Life Insurance

Developed for the Employees of
Broward Community College



Who Needs Life Insurance?

You do. Single or married. Buying your first home or preparing for retirement. Raising children or sending them off to college. No matter where you are in life, insurance should be part of your financial plan. By purchasing this insurance product through your employer, you benefit from:

- ◆ Affordable group rates
- ◆ Convenient payroll deduction
- ◆ Access to knowledgeable service representatives.

Who Is Eligible For Coverage?

If you are an active, full-time faculty employee of the employer regularly scheduled to work a minimum of 30 hours per week or an active, full-time administrative or professional and technical employee of the employer regularly scheduled to work a minimum of 37.5 hours per week, you will be eligible to elect insurance on the first day of the month on or after 30 days of active service.

How Much Coverage Can You Buy?

You can select life insurance coverage of 1 or 2 times your annual salary rounded to the nearest \$1,000. The minimum for any employee is \$10,000. The maximum is the lesser of 2 times your annual salary or \$250,000. The guaranteed coverage amount is the lesser of 2 times your annual salary or \$200,000.

Guaranteed Coverage

If you are eligible and you apply during the initial enrollment period, or within 31 days after you are eligible to elect coverage, you are entitled to choose any of the offered amounts of coverage up to the guaranteed coverage amount, as shown on your application, without having to provide evidence of good health.

If you apply for an amount of coverage greater than the guaranteed coverage amount, coverage in excess of the guaranteed coverage amount will not be issued until the insurance company approves acceptable evidence of your good health. Evidence of good health may include a paramedical exam or physician's statement.

If you apply for coverage more than 31 days from the date you become eligible to elect coverage under this plan, the guaranteed coverage amount will not apply. Coverage will not be issued until the insurance company approves acceptable evidence of good health. Evidence of good health may include a paramedical exam or physician's statement.

Calculating the Cost of Your Coverage

Follow These Steps

Step 1 \$ _____ Your Yearly Salary
 x _____ 1 or 2 (*salary multiples*)
 = \$ _____ Amount of Coverage You Want

Step 2 *Round to the Nearest \$1,000 e.g., \$114,300 becomes \$114,000*

Step 3 $\frac{\text{YOUR COVERAGE AMOUNT}}{1000} = \text{EMPLOYEE UNITS}$

Step 4 $\frac{\text{EMPLOYEE UNITS}}{\text{EMPLOYEE UNITS}} \times \$ \frac{\text{EMPLOYEE COST PER UNIT}^*}{\text{EMPLOYEE UNITS}} = \$ \text{_____}$

Step 5 = \$ _____
TOTAL MONTHLY COST

Employee maximum coverage: the lesser of 2 times your annual salary or \$250,000.

* See table.

Employee Age	Employee Monthly Cost per \$1,000 Unit
<i>Under 30</i>	\$.06
<i>30 to 34</i>	.07
<i>35 to 39</i>	.08
<i>40 to 44</i>	.15
<i>45 to 49</i>	.25
<i>50 to 54</i>	.37
<i>55 to 59</i>	.55
<i>60 to 64</i>	1.05
<i>65 & Over</i>	1.57

Costs are subject to change.

When You Reach Age 70

By the time you reach age 70, chances are that your children will be grown and your mortgage paid. At age 70, providing you are still employed, your coverage will decrease to 65% of the benefit amount. It will decrease to 50% at age 75.

Automatic Increase Feature

In the event of an increase in salary, your voluntary life insurance coverage will increase accordingly — up to 25% of your previous salary, not to exceed your plan maximum.

Your new coverage amount will become effective on the first of the month following change. However, if the increase in coverage is to an amount in excess of your plan's guaranteed coverage amount, and you have not previously applied and been approved by the insurance carrier for coverage in excess of the guaranteed coverage amount, you must receive approval from the insurance carrier in order for the benefit increase to become effective.

How Much Life Insurance Do You Need?

We have provided this worksheet to help you calculate how much life insurance you may need for a surviving spouse and dependents. When calculating annual amounts, be sure to multiply the annual income or cost by the number of years you expect to receive that income, or incur that cost.

1. Living Costs		
Day-to-day Living Expenses <i>(Use 75% of current net income)</i>		
\$ _____ annually x _____ years	=	\$ _____
Child Care Expenses		
\$ _____ annually x _____ years	= +	_____
Education Funding		
\$ _____ annually x _____ years	= +	_____
Major Purchases <i>(cars, home repair)</i>		
\$ _____ annually x _____ years	= +	_____
Estate and Funeral Expenses	= +	_____
TOTAL LIVING COSTS (A)	=	\$ _____
2. Available Resources		
Cash and Savings	=	\$ _____
Retirement Savings <i>(IRA, 401(k), etc.)</i>	= +	_____
Stocks and Bonds <i>(at current market value)</i>	= +	_____
Spouse Income <i>(multiply by 60%)*</i>		
\$ _____ annually x _____ years	= +	_____
Other Assets	= +	_____
TOTAL AVAILABLE RESOURCES (B)	=	\$ _____
3. Life Insurance Need		
TOTAL LIVING COSTS (A)	=	\$ _____ (A)
LESS TOTAL AVAILABLE RESOURCES (B)	-	\$ _____ (B)
EQUALS LIFE INSURANCE NEED	=	\$ _____

Naturally a worksheet like the above is only an aid to determining life insurance needs. It cannot predict all of your expenses, economic conditions, inflation, investment performance or other factors which may alter your needs. For a more accurate plan, you should consider consulting an investment advisor.

* Estimate likely spouse income as sole provider. Include your estimate of Social Security benefits to surviving spouse and dependents. The 60% factor above is used to account for taxation so that a net income figure can be derived. Vary this factor if you feel combined federal, state and local taxes, and FICA will be different for your situation.

Other Benefit 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 accelerated payment benefit for terminal illness provides for up to 75% of the life insurance coverage amount in force or \$350,000, whichever is less, to be paid to you. This benefit is payable only once in your lifetime, and will reduce your life insurance death benefit.

The terminal illness benefit may be taxable. As with all tax matters, you should consult with a personal tax advisor to assess the impact of 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 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 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 70, subject to proof of continuing disability each year.
- If you are totally disabled on or after 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 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 for one year, subject to proof of your continuing disability.

What Is Not Covered

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

When Your Coverage Begins and Ends

The date your coverage begins is called its "effective date." Your employer will let you know the effective date of your coverage. If you are not actively at work on the effective date of coverage, your coverage will not begin until you return to work.

Your coverage cannot be terminated as long as you remain eligible, the premium is paid and the group policy remains in force.

Converting Your Coverage to Permanent Life Insurance

If group life insurance coverage is reduced or ends for any reason except nonpayment of premiums, you can convert to an individual policy. No medical certification is needed. To convert coverage, 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.

Apply Today

In order to apply for coverage, you must complete an application form. Be sure to answer all questions accurately, and indicate how much coverage you wish to have.

Payroll Deduction

You pay your premiums through payroll deduction. The total depends on how much coverage you select and your age.

How Your Claims Are Paid

Your employer has all the forms your beneficiary will need and can provide assistance in completing them.

Questions?

If you want more information about this group insurance plan, call 1-800-732-1603 toll-free anytime from Monday through Friday, 8 a.m. to 8 p.m. Eastern time. You'll speak to a courteous, knowledgeable customer service representative who can answer your questions and explain features of this plan.

Designating Your Beneficiary

If you do not designate a specific beneficiary, your term life benefit will automatically be paid to the first beneficiary listed below who is living at the time of your death:

- 1) Your Spouse
- 2) Your Child(ren)
- 3) Your Parents
- 4) Your Siblings
- 5) Your Estate

If you wish to designate different beneficiaries, or to indicate percentages, you may do so on your application. If the listed beneficiary is a trustee or a trust, you will need to indicate the trustee's name, the name of the trust and the date of the trust agreement. The trust document must be presented in order for the claim to be processed.

This information is a brief description of important features of the plan. It is not a contract. Terms and conditions of coverage are set forth in Policy No. FLX-961000, on Policy Form TL-004700, issued in Florida. The group policy is subject to the laws of the state in which it is issued. The availability of this offer may change. Please keep this material as a reference.

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