Term Life Insurance

Developed for the Employees of
City and County of Broomfield

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?

You —

- Presiding Municipal Judge working a minimum of 20 hours per week.
- City Council Appointed, City or County Manager, City or County Attorney or an active, full-time employee hired to work in a continual year round position for a minimum of 2,080 hours in calendar year or proportionately less for an employee hired during the calendar year
- An active part-time employee who is regularly scheduled to work at least 20 hours per week, excluding temporary and seasonal employees.

You will be eligible to elect insurance for you and your dependents on the first of the month coincident with or following your date of hire.

Your Spouse* — Up to age 70 is eligible provided that you apply for and are approved for coverage for yourself.

Your Unmarried, Dependent Children — At least 14 days to age 26, as long as you apply for and are approved for coverage for yourself. One low premium will insure all your eligible children, regardless of the number of children you have.

No one may be covered more than once under this plan. If covered as an employee, you can not also be covered as a dependent.

** Domestic Partner is defined in the Group Policy. For purposes of this brochure, wherever the term Spouse appears, it shall also include Domestic Partner and Domestic Partners registered under any state which legally recognizes Domestic Partnerships or Civil Unions. Additional information is available from your Benefit Services Representative.*

How Much Coverage Can You Buy?

You — You can select life insurance coverage in units of $10,000. The maximum for any employee is the lesser of 7 times your annual salary, rounded to the nearest $10,000 or $500,000. The guaranteed coverage amount for you is $100,000.

Your Spouse — You may select coverage for your spouse in units of $10,000 to a maximum of $250,000. The cost of coverage will be based on your spouse's age. The guaranteed coverage amount for your spouse is $30,000.

Your Unmarried, Dependent Children — You may select coverage for your unmarried, dependent children in units of $2,000 up to a maximum of $10,000.

Guaranteed Coverage

If you are a new hire and you apply within 31 days after you are eligible to elect coverage for you and your dependents, 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 for yourself or your spouse 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 good health. Evidence of good health may include a paramedical exam or physician's statement.

If you apply for coverage for yourself or your spouse more than 31 days from the date you become eligible to elect coverage under this plan, the guaranteed coverage amounts 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.

How Much Your Coverage Will Cost

The monthly cost of insurance for you and your spouse will depend on your ages, whether or not you and/or your spouse smoke, and the amount of insurance you wish to purchase for you, your spouse and children. As shown in the following chart, the cost of insurance increases with the age of the insured. Note that at age 70, your benefits are reduced.

To calculate your monthly cost:

1. Find your age group in the following table and choose the proper smoker or non-smoker rate;
2. Multiply the rate by the number of coverage units you want;
3. Calculate the cost of coverage for your spouse, using your spouse's age and proper smoker/non-smoker rate, then calculate the cost of coverage for your children;
4. Add the premiums for you, your spouse and your children to get your total monthly cost.

Example::

Employee *(age 28, non-smoker) ($250,000)*	25 units x	$.80 per unit	=	$20.00
Spouse *(age 24, smoker) ($100,000)*	10 units x	$1.40 per unit	=	$14.00
Children	5 units x ($10,000)	$.50 per unit	=	$2.50
		Total Monthly Cost		$36.50

To calculate your cost, complete this chart:

Employee	____ units x	$___.___ per unit	= $___.___
Spouse	____ units x	$___.___ per unit	= $___.___
Children	____ units x	$___.___ per unit	= $___.___
		Total Monthly Cost	$___.___

Employee/ Spouse Age	Employee Monthly Cost per $10,000 Unit		Spouse Monthly Cost per $10,000 Unit	
	Non-Smoker	Smoker	Non-Smoker	Smoker
Under 30	$ 0.80	$ 1.40	$ 0.80	$1.40
30 to 34	0.90	1.80	0.90	1.80
35 to 39	1.30	2.70	1.30	2.70
40 to 44	1.80	3.90	1.80	3.90
45 to 49	3.40	7.40	3.40	7.40
50 to 54	5.40	11.50	5.40	11.50
55 to 59	8.10	15.30	8.10	15.30
60 to 64	12.30	21.00	12.30	21.00
65 to 69	19.90	29.70	19.90	29.70
70 to 74	37.50	51.50	—	—
75 & over	65.00	75.00	—	—

The monthly cost for children is $.50 per for $2,000 of coverage. One premium will insure all your eligible children, regardless of the number of children you have.

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 66% of the benefit amount. It will decrease to 50% at age 75.

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 *(Use 75% of current net income)* $ _____annually x _____ years	= $ _____
Child Care Expenses $ _____annually x _____ years	= + _____
Education Funding $ _____annually x _____ years	= + _____
Major Purchases *(cars, home repair)* $ _____annually x _____ years	= + _____
Estate and Funeral Expenses	= + _____
TOTAL LIVING COSTS (A)	= $ _____
2. Available Resources	
Cash and Savings	= + _____
Retirement Savings *(IRA, 401(k), etc.)*	= + _____
Stocks and Bonds *(at current market value)*	= + _____
Spouse Income *(multiply by 60%)** $ _____annually x _____ years	= + _____
Other Assets	= + _____
TOTAL LIVING COSTS (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 or your spouse is 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 50% of the 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.

The terminal illness benefit may be taxable. As with all tax matters, an insured should consult with a personal tax advisor to assess the impact of this benefit.

Annual Enrollment Period

Each year, during your enrollment period, you have the opportunity to enroll in the plan or increase your voluntary coverage. We do require evidence of good health for all new coverage selections.

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 to 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.

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.

For coverage for your spouse and/or children to be effective, they must not be hospitalized or confined at home under the care of a doctor.

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

For your spouse and children, coverage ends when your coverage ends, when their premiums are not paid or when they are no longer eligible.

If You Leave Your Employer

To help you keep your life insurance coverage during the years when your family needs financial protection, the plan allows you to continue all of your voluntary coverage if you leave your employer. Premiums may change at this time. Just make arrangements to pay your premiums directly to the insurance company after you leave your current employer. Coverage may be continued for you and your spouse until age 70. Coverage may also be continued for your children. As long as the group policy remains in force, the option of continuing this coverage is available.

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. 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.

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, your age, your spouse's age and the amount of coverage you buy for your spouse and children.

Designating Your Beneficiary

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

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.

** Benefits will not be paid to your Domestic Partner if he or she is not specifically designated.*

How Your Claims Are Paid

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

Questions?

Cigna Group Insurance has courteous, knowledgeable customer service representatives who can assist you with the completion of your enrollment form by calling 1-800-732-1603 toll-free anytime from Monday through Friday, 8 a.m. to 6 p.m. Eastern time. CIGNA does not have your coverage election information on file. For specific benefit/account inquiries on what is available under your plan, please contact your Human Resources department.

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 Group Policy No. FLX-962091, on Policy Form TL-004700, issued in Delaware to the Trustee of the Group Insurance Trust for Employers in the Public Administration Industry. 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 19192

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