

# Group Insurance Issued by The Prudential Insurance Company of America

Life is full of pleasant surprises and, at the same time, life holds many uncertainties. It's easier to plan for happy events you know will occur, such as buying a home, paying for a wedding or saving for college tuition costs. It's more difficult to plan for the unexpected — a serious accident or death. For these times, it's important that you have enough life insurance coverage for you and your family. Your current life insurance plans may not offer enough protection. Together with your employer, Prudential offers you the opportunity to purchase additional term life insurance, which can help further safeguard, your earnings and cover your financial obligations in the event of your death.

## What Does This Plan Offer Me and My Family?

### Basic Term Life Insurance 50% Employee Paid Active and Retiree Coverage

- Basic Term Life and AD&D: coverage is available in the amount of \$5,000.
- The Living Benefit Option allows for an early payment of 50% up to \$2,500, if you are terminally ill with a life expectancy of six months or less. Your death benefit will be reduced by the amount you elect under this provision.\*
- On July 1 of the years you attain age 65 and 70, the amount of insurance reduces 25% at age 65, and 50% at age 70 from the original face amount.
- If your employment ends, you may receive similar Basic Term Life coverage under the Portability provision, provided you are less than age 70. You will be advised of the cost of this coverage. AD&D coverage will end on termination of employment or retirement at age 70.
- AD&D exclusions – A loss is not covered if it results from suicide or attempted suicide; intentionally self-inflicted injuries or an attempt at same; sickness; medical or surgical treatment of sickness; certain bacterial or viral infections (unless the infection was the result of an accidental injury or bacterial infection which results from the accidental ingestion of contaminated substances); act of war; certain full-time military duty; commission of, or attempt to commit a felony; legal intoxication or drug use; certain hazardous sports; injury rising out of, or in the course of, any work for wage or profit (this exclusion only applies with non-occupational plans); certain travel or flight in a vehicle used for aerial navigation. (This provision may vary by state. See your plan booklet for details.)

### Basic Plus Supplemental Term Life Insurance

#### 50% Employee Paid Active and Retiree Coverage

- Active Employees, Retirees, and Members of the Legislature: Coverage is available for one and one-half times your covered annual earnings, not to exceed \$50,000 for your combined Basic and Supplemental Term Life.
- If you enroll within 30 days of your date of eligibility, evidence of good health is not required. After 30 days of your date of eligibility, you must provide evidence of good health for all coverage amounts.
- The Living Benefit Option allows for an early payment of 50%, up to \$25,000 (or \$10,000 for Members of the Board of Commissions) if you are terminally ill with a life expectancy of six months or less. Your death benefit will be reduced by the amount you elect under this provision.\*
- On July 1 of the years you attain age 65 and 70, the amount of insurance reduces 25% at age 65, and 50% at age 70 from the original face amount.

- If your employment ends, you may receive similar Supplemental Term Life coverage under the Portability provision, provided you are less than age 70. You will be advised of the cost of this coverage.

\* Important Notice: The acceleration of life insurance benefits offered under this certificate is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. If the acceleration of life insurance benefits qualifies for such favorable treatment, the benefits will be excludable from your income and not subject to Federal Taxation. Tax laws relating to acceleration of life benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which you could receive acceleration of life insurance benefits that are excludable from income under Federal law.

### **Dependent Term Life Insurance 100% Employee Paid**

#### **Basic**

**Option 1:** Spouse \$1,000/Children \$500

**Option 2:** Spouse \$2,000/Children \$1,000

#### **Basic Plus Supplemental**

**Option 1:** Spouse \$2,000/Children \$1,000

**Option 2:** Spouse \$4,000/Children \$2,000

(Children from live birth to six months old will be covered for \$500.)

#### **Spouse Coverage**

- If your spouse enrolls within 30 days of your date of eligibility or within 30 days of marriage, evidence of good health is not required. After 30 days, evidence of good health is required for all coverage amounts.
- If your spouse is confined for medical care or treatment at home or elsewhere, coverage will begin when confinement ends.
- If your employment ends, your spouse may receive similar Dependent Term Life coverage under the Portability provision, provided you are less than age 70. You will be advised of the cost of this coverage.

#### **Child Coverage**

- Dependent Term Life coverage has one premium rate that covers all eligible children. No evidence of good health is required.
- If your dependent children are confined for medical care or treatment at home or elsewhere, coverage will begin when confinement ends.
- Coverage begins at live birth and continues to age 21, if unmarried. If the child is unmarried, dependent on you and a full-time student, coverage continues to age 24. If your employment ends, your children may receive similar Dependent Term Life coverage under the Portability provision, provided you are less than age 70. You will be advised of the cost of this coverage.
- Coverage continues for your unmarried dependent children who exceed the above age limits, but who are unable to care for themselves due to physical or mental health.

## **AD&D**

Benefits are paid at certain percentages of your coverage amount for specific accidental losses, as indicated in the chart below. Not more than 100% of your coverage amount is payable for all losses due to the same accident.

Seat Belt Benefit – The plan pays an additional benefit of 10% of your coverage amount, up to a maximum of \$10,000.

Air Bag Benefit – The plan pays an additional benefit of 10% of your coverage amount, up to a maximum of \$10,000.

### **Additional Benefits –**

- Loss Due to Exposure and Disappearance Benefit
- Felonious Assault Benefit
- Loss Due to Coma Benefit
- Spouse Tuition Reimbursement Benefit
- Return of Remains Benefit
- Child(ren) Tuition Reimbursement Benefit
- Day Care Expense Benefit

Exclusions – A loss is not covered if it results from suicide or attempted suicide; intentionally self-inflicted injuries or an attempt at same; sickness; medical or surgical treatment of sickness; certain bacterial or viral infections (unless the infection was the result of an accidental injury or bacterial infection which results from the accidental ingestion of contaminated substances); act of war; certain full-time military duty; commission of, or attempt to commit a felony; legal intoxication or drug use; certain hazardous sports; injury rising out of, or in the course of, any work for wage or profit (this exclusion only applies with non-occupational plans); certain travel or flight in a vehicle used for aerial navigation. (This provision may vary by state. See your plan booklet for details.)

### **Am I Eligible for Life Insurance Coverage?**

You are eligible for coverage if you are an active employee of the LSU System who is appointed 75 percent “paid time” or greater for one semester, or 121 days. Coverage is available for your spouse and dependents but requires evidence of insurability. This program also offers an Accidental Death and Dismemberment insurance policy in addition to the life coverage.

### **Employee AD&D Coverage**

- The coverage amounts are equal to Basic or Basic plus Supplemental Term Life coverage amounts.
- Benefits are paid in addition to Basic or Basic plus Supplemental Term Life benefits. On July 1 of the years you attain age 65 and 70, the amount of insurance reduces 25% at age 65, and 50% at age 70 from the original face amount.
- Coverage will end on termination of employment or retirement at age 70.

Important Notice for New York Residents: This policy provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department.

**IMPORTANT NOTICE - THIS POLICY DOES NOT PROVIDE COVERAGE FOR SICKNESS.**

## Rate Sheet

### **Basic Term Life & AD&D\* (Employee)**

(AD&D coverage will end on termination of employment or retirement at age 70)

#### **Coverage Amount Monthly Cost of Insurance**

Flat \$5,000 \$0.50 per \$1,000 of coverage

### **Basic Plus Supplemental Term Life & AD&D\* (Employee)**

(AD&D coverage will end on termination of employment or retirement at age 70)

#### **Coverage Amount Monthly Cost of Insurance**

Active/Retired up to a maximum of \$50,000 \$0.50 per \$1,000 of coverage

Commissioners up to a maximum of \$20,000 \$0.50 per \$1,000 of coverage

### **Dependent Basic Term Life\*\***

(Spouse & Children – Regardless of the number of children)

#### **Coverage Chosen Monthly Cost of Insurance**

Option 1: Spouse \$1,000/Children \$500 \$0.90 per \$1,000 of coverage

Option 2: Spouse \$2,000/Children \$1,000 \$0.90 per \$1,000 of coverage

### **Dependent Basic Plus Supplemental Term Life\*\***

(Spouse & Children – Regardless of the number of children)

#### **Coverage Chosen Monthly Cost of Insurance**

Option 1: Spouse \$2,000/Children \$1,000 \$0.90 per \$1,000 of coverage

Option 2: Spouse \$4,000/Children \$2,000 \$0.90 per \$1,000 of coverage

\*50% of the cost of coverage is employee paid.

\*\*The entire cost of coverage is employee paid.

Cost of insurance for all coverages, which are deducted from your paycheck, may increase or decrease in the future based upon the claims experience of participants. All provisions that apply to this coverage are governed by the Certificate. INST-A004728-0299 10.2003-Ed. 4/2003