

Harris Health System provides all full – and part-time employees with Basic Life insurance and Basic Accidental Death and Dismemberment (AD&D) insurance—at no cost to you.

- **Basic Life** pays an amount equal to two (2) times your base annual salary, to a combined maximum of \$1,000,000 (basic and optional life combined), to your beneficiary in the event of your death. There is no legal requirement as to who your beneficiary may be, and your beneficiary can be changed at any time.
- **Basic AD&D** will pay an additional amount equal to two (2) times your base annual salary if your death is the result of an accident. You may receive a full or partial benefit if you lose limbs or eyesight due to an accident while covered under the plan.

## OPTIONAL LIFE AND AD&D INSURANCE

You can purchase additional coverage for yourself and your dependents at group rates on a post-tax basis. You must purchase coverage for yourself in order to purchase it for your family members.

### OPTIONAL LIFE INSURANCE

	Employee	Spouse	Child
<b>Benefit Election Options</b>	1 x your base annual salary	Increments of \$10,000	\$10,000
<b>Benefit Maximum</b>	\$1,000,000 for basic and optional life combined	1 x your base annual base salary	\$10,000
<b>Guarantee Issue (new hires only)</b>	\$100,000	\$30,000	\$10,000

OPTIONAL LIFE RATES	
EMPLOYEE/SPOUSE MONTHLY RATE, BASED ON EMPLOYEE AGE, PER \$1,000 OF COVERAGE	
29 and under	\$0.048
30 - 34	\$0.057
35 - 39	\$0.067
40 - 44	\$0.086
45 - 49	\$0.124
50 - 54	\$0.228
55 - 59	\$0.371
60 - 64	\$0.523
65 - 69	\$1.102
70 - 74	\$1.197
75 and up	\$2.06
CHILD MONTHLY RATE, PER \$10,000 OF COVERAGE	
Child	\$1.00

Keep in mind:

- There is no automatic increase for Spouse Dependent Life if an employee gets a pay increase during the year.
- **If you and another Harris Health System employee have the same eligible dependents, only one of you may cover the eligible dependent(s).**

### Guarantee Issue and Evidence of Insurability (EOI)

The guarantee issue is the highest coverage amount you can elect when you are initially eligible without having to provide an EOI health questionnaire as proof of your good health.

You will need to submit an EOI if: (1) you elect more than the guarantee issue amount when you or your spouse is initially eligible as a new hire or (2) you decline coverage when you are initially eligible but want to elect it later.

### OPTIONAL AD&D INSURANCE

You may apply for amounts of one to ten times your base annual salary, up to \$500,000. If you are insured for Optional AD&D, you may also elect to insure your eligible dependents.

- Spouse Only: 60% of employee amount
- Child(ren) Only: 15% of employee amount
- Spouse and Children: spouse 50% of employee amount and child(ren) 10% of employee amount

OPTIONAL AD&D MONTHLY RATE PER \$1,000 OF COVERAGE	
Employee Only	\$0.015
Family	\$0.026

### COST EXAMPLE: 46 YEAR OLD WANTS TO PURCHASE \$50,000 IN OPTIONAL LIFE INSURANCE

Employee Age	Amount of Coverage ÷ \$1,000	x	Optional Life Rate	=	Per Month Cost
46	\$50,000 ÷ 1,000 = 50	x	\$0.124	=	\$6.20 (50 x 0.124)

## GROUP TERM LIFE INSURANCE

This group term life coverage is a fully insured plan. As such all employee benefit determinations are made by the underwriter.

### **Beneficiary(ies) - *Can I change my beneficiary at any time?***

Yes. You can change your named beneficiary at any time and you can name anyone or anything to be your beneficiary. To make a beneficiary change go to the **PeopleSoft Self-Service** module. Click on **Employee Self-Service**, then on **Benefits**, next on **Dependents and Beneficiaries**, and then on **Insurance Beneficiary Summary**. Make the beneficiary changes you deem appropriate.

### **Suicide - *Policy exclusion for Employee and Dependent AD&D Insurance Coverage.***

The AD&D policy does not cover any loss caused by suicide or intentionally self-inflicted injuries.

### **Reductions in Policy Coverage - *When will my policy coverage be reduced?***

An automatic reduction of insurance applies when you, the employee, reach the age shown below. Spousal life insurance reductions also occur when you reach the age shown below. Reliance Standard will reduce coverage to the applicable percentage below and round to the next higher \$500.

MEMBER AGE	PERCENTAGE
65 through 69	65%
70 or over	50%

### **Right to Convert - *Can I take my life insurance with me when I leave Harris Health System?***

Yes. Your coverage ends on the date of your last day of employment with Harris Health System unless a Waiver of Premium has already been obtained from Reliance Standard. You will have 60 days after the date of your qualifying event (loss of coverage) to convert your insurance excluding AD&D insurance, to an individual policy. If you die during the conversion period, the underwriter will pay a death benefit equal to the maximum amount you had a right to convert, whether or not you applied for an individual policy.

### **Waiver of Premium - *Is there a time that I would not be required to pay a premium?***

Yes. Life insurance will be extended if you become totally disabled while insured under age 60, the total disability lasts for at least 6 months and you provide proof of total disability. After proof of total disability is approved by Reliance Standard, you are no longer required to pay premiums and any premiums paid from the start of total disability will be refunded. **Waiver of Premium** means all insurance under the group policy, except AD&D insurance.

**Total Disability**, as used in Waiver or Premium, means the complete inability to engage in any type of work for wage or profit for which you are suited by education, training or experience.

### **Accelerated Benefit - *Immediate Financial Assistance May Be Available at Time of Terminal Illness***

While insured under the group policy, if you have an illness or physical condition that is certified by a physician to reasonably be expected to result in death in 24 months or less, you may submit a written request to accelerate your life benefit. The accelerated benefit is equal to 80% of your combined Basic and Optional Life, to a maximum of \$500,000. This benefit may be paid as a single lump sum or in installment payments as mutually agreed to by you and Reliance Standard. The accelerated benefit is payable one time only. Other terms and conditions apply; see the certificate of coverage for further details.

**Enhanced AD&D Benefits - *Are there any extra benefits that might be payable to you or your family in a time of need?***

Yes. Below are short excerpts of benefits that may be available to you or your beneficiary under the Group Term Life and/or Accidental Death & Dismemberment (AD&D) Policy. If any discrepancy exists between this summary and the Life Policy provisions, the Life Policy provisions shall prevail.

**Seat Belt Benefit:**

The seat belt benefit is equal to 10% of the Accidental Death benefit payable under the policy.

**Air Bag Benefit:**

The air bag benefit is equal to 5% of the Accidental Death benefit payable under the policy.

**Education Benefit:**

Reliance Standard will pay 6% of the AD&D insurance benefit, subject to a minimum of \$1,000 and a maximum of \$6,000 annually for each of the insured's dependent children who is: enrolled as a full-time student in any institute of higher learning beyond the 12th grade level on the date of the insured's accident; or in the 12th grade on the date of the insured's accident and subsequently enrolls as a full-time student in an institute of higher learning within 1 year of the date of the insured's death' provided the child remains enrolled for the school year. Benefits will be paid for up to 4 consecutive years of enrollment.

Reliance Standard will pay the actual tuition expense incurred by the insured's dependent spouse, up to \$10,000 annually if: such spouse attends an institute of higher learning for the purpose of obtaining a source of support and maintenance and the tuition expense is incurred within 30 months after the date of the insured's death.

If at the time of the insured's death, he/she has no surviving insured dependents that are eligible for the education benefits, Reliance Standard will pay a one time lump sum benefit equal to \$1,000 to the designated beneficiary.

Note: Institute of higher learning includes, but is not limited to: any university, college, trade school or professional school.

**Day Care Benefit:**

Reliance Standard will pay an additional monthly benefit equal to actual day care charges incurred up to 25% of the insured person's or insured spouse's AD&D benefit, not to exceed \$5,000 in any one calendar year for each insured dependent child who is under 14 years of age. The benefit will terminate on the earlier of: the date the child turns 14 years of age; or the end of the period of 3 consecutive years from the death of the insured person or the insured spouse. If at the time of the insured's death, there are no surviving dependents that are eligible for the benefits, Reliance Standard will pay a one time lump sum benefit equal to \$1,000 to the designated beneficiary.

**Termination of Coverage - *When does coverage end?***

Coverage ends on the date your employment terminates. See the policy for further coverage termination provisions.

**Payable Benefit - *Is there a time when the policy might not be payable?***

Refer to your certificate of coverage. The certificate of coverage is located on the Human Resources intranet web page for the Harris Health System. Go to **Human Resources**, click on **Benefits**, click on **Official Plan Documents** link under disclaimer and then click on the **Reliance Standard Life & AD&D Certificate** under **Group Life & AD&D Insurance**.