

YES!

You CAN take it with you

**You Are Now Eligible To Convert
Your Current Long-Term Disability Insurance
To Disability Conversion Insurance — DCI Coverage**

For use by residents of all states except New York



CIGNA Group Insurance
Life • Accident • Disability

HELP PROTECT YOUR FUTURE . . . HELP PROTECT YOUR INCOME

Say YES to this Opportunity for Added Financial Security:

Your ability to work and earn a living — something which can be so vital to your financial well-being and your family's security — has been protected by the long-term disability insurance you've had on the job. Disability income coverage can be **essential protection** . . . and your need for this essential protection may be more compelling now than ever before.

For many adults, a disability is much more likely than an early death.* You may not be aware that:

- ❖ One out of every seven Americans will be disabled for five years or more before reaching retirement age.*
- ❖ Nearly half of the working population between the ages of 25 and 40 will be disabled for at least 90 days before they reach age 65.*
- ❖ One in six 30-year-olds will probably suffer a long-term disability of 90 days or more before reaching age 65.*

An excellent feature of your present coverage is the conversion option: a specific privilege that allows you to participate in a group long-term disability plan after you're no longer covered under your current plan.

You are now eligible to enroll for this important coverage that works for you —

- ❖ during a period of unemployment not caused by disability or retirement.
- ❖ while you are waiting to become eligible for disability insurance under a new employer's disability plan.
- ❖ even while you are working for an employer who does not offer this valuable protection.

This is an opportunity you can't afford to miss. The information you need to make an informed decision is included in this brochure and on the enrollment form we've enclosed for completion by you and your current employer.

Take advantage of this opportunity. Enroll for Disability Conversion Insurance (DCI), the personal coverage designed to help protect your financial well-being and your family's security in the days ahead. You'll be glad you did.

* Statistics from the 1985 Commissioner's Individual Disability Table A, Society of Actuaries.

DCI HIGHLIGHTS

Under the DCI plan, you can be assured of:

- ✓ a predictable monthly income during periods of covered total disability resulting from either accident or sickness.
- ✓ continuing disability benefits when you are able to do some limited rehabilitative work for wage or profit.
- ✓ benefits payable to age 65, if you become disabled before age 63. For disabilities beginning after age 62, benefits are payable for periods of one to three and one-half years, but not later than age 70.
- ✓ economical group premiums, based on age, payable quarterly, conveniently billed to you.
- ✓ waiver of premium — no premiums are due while you collect benefits.

This brochure is a brief description of the Group Policy, GKL-1, underwritten by Life Insurance Company of North America and issued to the Trustees of the CIGNA Long-Term Disability Income Conversion Trust. See your Certificate of Insurance for more complete details.

DCI GENERAL INFORMATION

Eligibility and Effective Date

You are eligible to participate in this plan if:

- a. you are an employee covered under your employer's long-term disability plan for at least 12 consecutive months; and
- b. your employer's long-term disability plan is underwritten by a CIGNA company; and
- c. this plan is not terminating; and
- d. you are terminating your employment or beginning an uninsured leave of absence.

You are not eligible for conversion disability insurance if you are retiring, are disabled, are over age 70 or if your current employer is terminating its long-term disability policy.

You may enroll for this coverage **without providing medical or other evidence of insurability**, by submitting a completed enrollment form along with your check or money order for the non-refundable \$25 administrative charge, within 31 days of the date you terminate employment with your employer.

Upon receipt of your enrollment form, we will calculate the amount of premium due to activate and maintain your coverage under this plan and will bill you this amount. Once the required premium is paid, your insurance will become effective on the date following the date of your termination from your employer.

If you enroll for DCI coverage later than 31 days, but within 62 days, following your termination date, you will be required to provide evidence of insurability. Once this evidence is approved, you will receive a letter of approval along with the premium calculation described above. Once you remit the required premium, your DCI coverage will become effective on the date the Insurance Company approved your enrollment form.

Enrollment forms submitted more than 62 days after the termination date, or those not accompanied by the non-refundable \$25 administrative fee, will not be accepted.

Continuation of Coverage

Your DCI certificate will remain in force unless or until you reach age 70, cease to pay premium, or notify the Insurance Company in writing that you wish to discontinue the insurance.

Your DCI Benefits

You are eligible for DCI benefits when you become Totally Disabled. You are considered Totally Disabled when you are not able, because of injury or illness, to perform all of the essential duties of any occupation for which you are, or may reasonably become, qualified based on your education, training and experience. You must remain under a doctor's care while you are disabled, and not be able to work for wage or profit, except as described in the Rehabilitative Work Provision.

Your DCI insurance will pay you a monthly benefit when you have been Totally Disabled throughout the Benefit Waiting Period shown in your certificate. Your gross monthly benefit may not exceed the monthly benefit in force for you under your employer's group policy. Your maximum benefit equals a percentage of your base earnings, not to exceed \$3,000 per month. This percentage will be the lesser of 60% and any percentage used to determine your benefit under your employer's plan. Your gross disability benefit may be reduced if, at the time you become disabled, you are receiving any other income, as described below.

Benefit Waiting Period

The benefit waiting period is 180 days of continuous total disability. However, if your employer classifies you as an executive, management or supervisory employee, you may select a 90-day waiting period.

Covered Earnings

The amount of your covered monthly earnings is determined at your date of termination and is not subject to change. Covered earnings consist of your pay, at the rate in effect on your last day of active service with your employer, and do not include overtime, bonuses, additional compensation, or pay for more than 40 hours a week. Commission earnings, if any, are included — averaged over the previous 12 months, or that portion of 12 months during which you earned commissions.

Your DCI benefit will be computed and confirmed to you at the time your enrollment form is accepted by the Insurance Company.

Rehabilitative Work Provision

Your DCI benefits can continue while you are able to perform rehabilitative work approved by the Insurance Company. While you are engaged in rehabilitative work, your DCI benefit will be reduced, but only by 60% of the earnings you are receiving for such work.

For example, if you had been collecting \$900 a month from your DCI coverage, and later were able to perform some part-time work for which you received \$500 a month, your DCI benefit would be reduced to \$600 a month. (60% of \$500 = \$300 . . . \$900 minus that \$300 = \$600.) This \$600, added to your wages for the new work, would bring your total income to \$1,100 a month.

This rehabilitation benefit is payable during the length of your benefit period, for as long as you are performing rehabilitative work approved by the Insurance Company.

Integration with Other Benefits

Your DCI benefits will be reduced by certain other income you may receive while you are Totally Disabled. These other sources of income include benefits under Canada and Quebec Pension Plans; Railroad Retirement Act benefits; state, local or federal government disability or unemployment compensation; occupational disease or compensation law, including Social Security Disability or sick leave as it pertains to your employer; work-loss benefits provided by mandatory "no-fault" auto insurance; retirement plan benefits funded by your employer; disability benefits payable under any group or franchise insurance plan; amounts awarded through settlement, judgment arbitration or otherwise, for loss of earnings; or any wage or salary for work performed, except as provided under your certificate's Rehabilitative Work Provision.

Your DCI benefit can never be reduced to less than \$100 per month, and will never be reduced by any cost-of-living increases you receive from any other sources of income.

Integrating DCI Coverage With Another Group Disability Plan

If you are also entitled to receive disability benefits from another group, franchise or similar insurance policy, and it provides for reduction of its benefits by other insurance benefits, your DCI benefit would be prorated. For example, if your DCI benefit before integration was \$2,000 per month — and you were also entitled to monthly benefits of \$1,000 from another disability plan, your DCI benefit would then be calculated as follows:

$$\frac{\$2,000}{\$2,000 + \$1,000} = 2/3 \times \$2,000 = \$1,340/\text{month DCI benefit}$$

If your DCI benefit before integration was \$1,000 per month — and you were also entitled to \$2,000 per month from another group plan, your DCI benefit amount would then be calculated as follows:

$$\frac{\$1,000}{\$1,000 + \$2,000} = 1/3 \times \$2,000 = \$667/\text{month DCI benefit}$$

Benefit Period — When Your Benefits Begin

A benefit period begins immediately following your waiting period and can continue, depending on your age at commencement of total disability, as outlined below:

<u>Age at Commencement of Disability</u>	<u>Length of Benefit Period</u>
Under age 63	3-1/2 years, or to age 65, whichever occurs later
63	3 years
64	2-1/2 years
65	2 years
66	1-3/4 years
67	1-1/2 years
68	1-1/4 years
69	1 year

Plan Limitations and Exclusions

You will not receive DCI benefits for Total Disability resulting from any intentionally self-inflicted injury; any act of war, declared or undeclared, whether or not you are serving on full-time active duty in any armed forces; commission of a felony; participation in a riot; or revocation, restriction or non-renewal of your license, permit or certification required to perform your occupation, unless caused by injury or sickness otherwise covered by the group policy.

You will not receive DCI benefits for Total Disability while you are incarcerated in any penal or correctional facility, or if you are not receiving appropriate care from your physician, if you fail to cooperate with the Insurance Company in the administration of your claim, or if you refuse to participate in Rehabilitative Work or rehabilitation efforts the Insurance Company requires.

Mental Illness, Alcoholism, Drug Abuse

Total disability arising from mental illness and drug or alcohol abuse will be covered under this plan for up to 24 months on an outpatient basis when you are not confined to a hospital. The plan will also pay benefits during any period of hospitalization of at least 14 consecutive days, provided hospitalization occurs before outpatient benefits are exhausted. Once the lifetime maximum of 24 months for outpatient benefits is exhausted, the plan pays no further benefits.

Pre-Existing Conditions Limitation

A pre-existing condition is any injury or sickness for which you incurred expenses, received medical treatment, took prescribed medicines or drugs, or consulted a physician during the three (3) months prior to the effective date of your DCI coverage. Where a pre-existing condition exists and a total disability due to that condition begins before you have been insured under your employer's plan and this policy for at least 12 consecutive months, that disability will not be covered.

Convenient Quarterly Premiums

The economical group premiums for each \$100 of DCI **monthly benefit** are shown below, keyed to your benefit waiting period and your age when you enter the Plan. As you enter a new age bracket, your premium will change. **Please note** that you will not be required to pay premiums while you are collecting benefits from this coverage.

Quarterly Premium per \$100 of Monthly Benefit*

<i>Executives, Managers & Professionals</i>		<i>All Other Salaried Employees</i>	<i>All Other Non-Salaried Employees</i>	
<i>Attained Age **</i>	<i>Benefit Waiting Period</i>		<i>180-day Benefit Waiting Period</i>	<i>180-day Benefit Waiting Period</i>
	<i>180 Days</i>	<i>90 Days</i>		
Under 30	\$ 1.37	\$ 2.34	\$ 1.71	\$ 2.56
30-34	1.75	2.65	2.19	3.29
35-39	2.46	3.30	3.07	4.61
40-44	4.00	5.28	5.00	7.50
45-49	7.84	9.52	9.80	14.71
50-54	9.91	13.19	12.39	18.58
55-59	13.12	16.49	16.40	24.59
60-64	13.68	19.89	17.09	25.65
65-69	12.01	22.22	15.01	22.52

* Rates for this entire policy may be changed, but no more than once per 12-month period.

** Your quarterly premium will change as you move from each *Attained Age* bracket to the next, as illustrated above.

HOW TO ENROLL FOR CONVERSION COVERAGE

First, have your employer complete and sign Section II (questions 9 through 20) of the enrollment form. Then you must complete and sign Section I (questions 1 through 8). Then send the completed form, along with a \$25 non-refundable administrative fee, to the CIGNA Individual Conversion Unit address indicated at the bottom of your enrollment form. Be sure to keep a copy for your records.

A one-time, non-refundable **\$25 administrative fee** is required with each enrollment form. Be sure to include your check or money order, payable to CIGNA, for this charge when enrolling for DCI coverage. Your premium will be calculated, and an invoice for your initial coverage period will be mailed to you. The invoice also shows the regular quarterly premium you will be billed while in this age bracket.

Payment of this invoice will constitute your acceptance of the coverage and your Certificate of Insurance will be sent to you. When you receive your Certificate, you have 30 days in which to review it and, should you decide not to accept the coverage, return it for a full refund of the initial premium payment made.

Should you decide to accept the coverage, be sure to keep your Certificate in a safe place, along with a copy of your enrollment form and this information booklet. You will be billed quarterly, in advance, to continue your coverage.

If you have questions or require further information, please contact the CIGNA Group Insurance Conversion Unit at the following address:

CIGNA Group Insurance
Individual Conversion Unit
P.O. Box 20187
Lehigh Valley, PA 18002-0187

Telephone: 1-800-441-1832
TDD Number (*for the hearing impaired*): 1-800-336-2485

LIFE INSURANCE COMPANY OF NORTH AMERICA

ENROLLMENT FORM FOR CONVERSION OF GROUP LONG-TERM DISABILITY INSURANCE

I wish to enroll for Group Long-Term Disability Conversion Insurance as follows:

I. INDIVIDUAL COMPLETE THIS SECTION

Please type or print all information

1. Name (Last) _____ (First) _____ (M.I.) _____	2. Sex <input type="checkbox"/> M <input type="checkbox"/> F	3. Social Security No. ____ - ____ - ____	4. Date of Birth ____/____/____ MO DAY YEAR
5. Home Address _____ Number/Street _____ City _____ State _____ Zip _____	Telephone No. (____) _____		

6. I understand that my converted benefit may not exceed 60% of my last basic monthly earnings under the group long-term disability plan from which I am converting, to a maximum monthly benefit of **\$3,000**. If the benefit percentage and/or maximum monthly benefit amounts under the group plan from which I am converting are less than the above, I am eligible for only the lesser amounts, rather than those above.

7. Are you covered under any group long-term disability insurance other than that listed by your employer in Question 9 in Section II of this form? Yes No
If yes, identify insurer(s) and policy number(s) _____

8. *Benefit Waiting Period:* If you are an Executive, Manager or Professional, and eligible for the choice of benefit waiting period (as indicated by your employer's response to Question 15), please indicate your choice here:
 180 days 90 days

The statements above are true to the best of my knowledge and belief.

Enclosed is my check or money order for the non-refundable \$25.00 administrative fee, payable to: **CIGNA**

For Residents of all states but Colorado, Florida or New York — Caution: Any person who, knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act.

For Colorado Residents only — Caution: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

For Florida Residents only — Caution: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Signature of Employee

X _____

Date

____/____/____
MO DAY YEAR

Send this enrollment form to:
(Make sure to keep a copy for your records)

CIGNA Group Insurance
Individual Conversion Unit
P.O. Box 20187
Lehigh Valley, PA 18002-0187

Telephone: 1-800-441-1832
TDD Number (for the hearing impaired):
1-800-336-2485

II. EMPLOYER COMPLETE THIS SECTION

9. Enrollment is being made according to the conversion privilege contained in:

Group Insurance Company _____
Group Long-Term Disability Plan No. _____ Issued to _____
POLICYHOLDER OR SPONSOR NAME

10. This questionnaire is being completed on behalf of an individual who is:

Terminating employment Starting leave of absence for non-disability reasons
This is a Paid Leave an Unpaid Leave

11. Date when conversion information and enrollment form was given to the individual: _____

12. Date individual first became insured under the above plan: _____

13. Date individual's insurance terminated under the above plan: _____

14. The individual's occupation at the time insurance terminated:

Job Title: _____

15. The individual's classification at the time insurance terminated: _____

Executive, Manager or Professional Other Salaried Other Non-Salaried

16. Was the individual disabled under the terms of your present group long-term disability plan at the time of termination? Yes No

17. The individual's last basic monthly earnings under your group long-term disability plan at the time of termination: \$ _____

18. Was the individual continuously covered under your present and/or prior group long-term disability plan for at least 12 consecutive months? Yes No

19. a) Your current group long-term disability plan benefit percentage (i.e., 40%, 50%, 60%, 66-2/3%) _____%

b) Your current group long-term disability plan maximum monthly benefit \$ _____

20. To the best of my knowledge the above information given is correct and complete.

Name of Policyholder as it appears on the group plan

Signature

X _____

Telephone No.

(____) _____

Print Name and Title

Date

Employer: Please retain a copy of this page and provide the individual converting with this entire booklet and enrollment form.

Underwritten by Life Insurance Company of North America