IDAHO

# Extra Protection For Your Family

## Group Decreasing Term Life Insurance

National Conference on
Public Employee Retirement Systems

The Prudential Insurance Company of America

0203197

Ed. 0214

The Voice for Public Pensions

Dear Member:

Participating in a pension plan for public employees is a great first step to protecting your family's future. But, if you're like many, your needs may not be fully met by your pension plan. That's where the NCPERS Group Decreasing Term Life Insurance Plan can help.

The plan is custom designed to give your family extra financial security when they need it most. A valuable member benefit regardless of your age, it offers supplemental protection, including:

**Decreasing Term Life Insurance—**
For you.

**Accidental Death & Dismemberment Insurance—**
For you.

**Dependent Term Life Insurance—**
For your spouse or domestic partner and all of your eligible children.

Plus, you get all of this protection for just $16 a month—that's less than the cost of a cup of coffee per day.

Our plan is issued by The Prudential Insurance Company of America (Prudential)—a name you know and trust.

We're pleased to offer you the opportunity to review your insurance needs and purchase supplemental insurance for you and your family.

Don't miss out—enroll today!

Sincerely,

Melvyn Carlson

President

## Extra Financial Security

**Designed especially for public employees like you, this voluntary plan offers a supplementary survivor's benefit to augment your retirement system's benefits.**

## Solid as a Rock

**Since our plan's inception more than 40 years ago, Prudential has paid over $105 million to NCPERS members and their beneficiaries. The plan is well designed and financially sound, with plan reserves committed to maximize benefits to participants. It currently serves the needs of over 85,000 public employee retirement system members nationwide.**

## For More Information

**Read on to find out…**

- **Why you may need this extra protection.**
- **What kind of coverage you can get.**
- **What it costs.**
- **Why you should buy it at work.**
- **How and when to enroll.**

# "Why do I need extra protection?"

Protecting your family's future through your pension benefit is something you can feel good about. But, how would your family support themselves if something tragic happened to you before you could accrue a substantial pension benefit? Even if your pension was sizeable, how much of it would be eaten up by costly final expenses?

Designed for employees of all ages, this Group Decreasing Term Life Insurance plan is valuable for…

**Members Under 50:**

It provides a substantial benefit—an easy way to supplement pension survivor benefits during the early family-building years when pension plan survivor benefits are lower and your family's needs are greatest..

**Members Over 50:**

It provides a good way to help cover incidental expenses associated with death—like those for burial, medical, and debt, so other life insurance coverages can be used to maintain your family's lifestyle.

# "What coverages can I get?"

For **an affordable price,** you get **all** of the following coverages for you and your family.

## Group Decreasing Term Life

This coverage—which pays your beneficiary a maximum benefit amount in your younger years and a gradually decreasing benefit amount in your older years—will help give you peace of mind for your family's well-being.

## Accidental Death & Dismemberment (AD&D)

This additional coverage pays you or your beneficiary a benefit for loss of life or other injuries resulting from a covered accident—100% for loss of life and a lesser percentage for other injuries. Injuries covered may include loss of sight and dismemberment of hands or feet.

AD&D Exclusions—No benefit will be paid due to loss from the following: war; suicide or attempted suicide; any bacterial or viral infection (unless the infection was the result of an accidental cut or wound); bodily or mental infirmity or disease, or medical or surgical treatment thereof; or by aircraft travel if you have any duties aboard the aircraft, or if you are giving or receiving training for such duties.

## Dependent Term Life

This plan provides Group Decreasing Term Life Insurance for your spouse or domestic partner and a flat benefit for all of your dependent children. The benefit amount will be paid to you in a lump sum on an eligible dependent's death due to any cause. Spousal or domestic partner benefits are determined by your age at the time of your spouse's or domestic partner's death.

Domestic partners may not be recognized in all states.

## "How much does this coverage cost?"

Coverage is available at a lower group cost through the purchasing power of the National Conference on Public Employee Retirement Systems. Every member, regardless of age, pays the same cost—just $16 a month. Your cost does not increase with your age. The plan pays a maximum benefit amount in your younger years and a gradually decreasing benefit amount in your older years.

## "What are the advantages of this insurance?"

- **Guaranteed Acceptance**—no health questions asked.
- **24/7 Coverage**—on or off the job.
- **Affordable**—$16 a month regardless of your age.
- **Easy Payment**—by automatic payroll deductions.

### Schedule of Benefits – $16 Monthly Contribution

(Covers You, Your Spouse or Domestic Partner, and Your Children)

| | MEMBER | | | DEPENDENT | |
|---|---|---|---|---|---|
| Member's Age at Time of Claim | Group Term Life | Group Accidental Death & Dismemberment | Total Benefit For Accidental Death | Group Term Life Spouse/Domestic Partner | Group Term Life Child(ren)* |
| Less than 25 | $225,000 | $100,000 | $325,000 | $20,000 | $4,000 |
| 25 - 29 | $170,000 | $100,000 | $270,000 | $20,000 | $4,000 |
| 30 - 39 | $100,000 | $100,000 | $200,000 | $20,000 | $4,000 |
| 40 - 44 | $65,000 | $100,000 | $165,000 | $18,000 | $4,000 |
| 45 - 49 | $40,000 | $100,000 | $140,000 | $15,000 | $4,000 |
| 50 - 54 | $30,000 | $100,000 | $130,000 | $10,000 | $4,000 |
| 55 - 59 | $18,000 | $100,000 | $118,000 | $7,000 | $4,000 |
| 60 - 64 | $12,000 | $100,000 | $112,000 | $5,000 | $4,000 |
| 65 and over | $7,500 | $7,500 | $15,000 | $4,000 | $4,000 |

Monthly cost effective 6/1/2002.

**Payment Examples:**

1. If an insured member age 38 dies of natural causes, the beneficiary would receive $100,000. If death is due to a covered accident, $200,000 would be payable.
2. If the spouse or domestic partner of a 42-year-old member dies, the member would receive $18,000.
3. If a dependent child less than age 26 dies, the payment to the member would be $4,000.

*Unmarried children age 14 days but less than 26 years old are covered, including adopted children, stepchildren, and foster children who depend on you for support. Dependents in military service are not eligible.

**For your convenience, payment is made by payroll deduction. Please send no money.**

# "What special features are offered?"

### Waiver of Premium

If you are less than 60 years old and become totally disabled for at least nine months, your insurance may be continued without further premiums, as long as you furnish annual proof of your continued total disability satisfactory to Prudential.

### Accelerated Benefit Option*

If you are terminally ill with a life expectancy of six months or less, you may receive up to 50% of your insurance benefits—up to $112,500 in advance—provided you've been in the NCPERS plan for at least one year. The death benefit, payable to your beneficiary, will be reduced by that amount.

### Additional AD&D Benefits

- Education Benefit
- Seat Belt Benefit
- Air Bag Benefit
- Repatriation Benefit

### Conversion of Coverage

If you cease to be a member, you can convert your insurance to a Prudential individual life policy within 31 days following termination of insurance. Dependent Spouse or Domestic Partner Term Life coverage can also be converted if you cease to be a member or die.

### Retirement Coverage

Coverage can be continued into retirement if you are insured as an active member and will receive a benefit upon retiring. Simply authorize the retirement system to deduct your contributions from your retirement check.

# "How can I enroll?"

You may enroll within 90 days of the date of your employment or during the open enrollment period.

### To enroll:

- Complete the enclosed Enrollment and Beneficiary Form, or
- Go to the Life Plan's link on the plan sponsor's website to obtain a printable copy of the form.

Make certain to complete the form in full to avoid any problems with future claims submission.

Submit your completed enrollment form to your employer. Your employer will begin payroll deductions and forward your enrollment information to HealthSmart Benefit Solutions, Inc.

## "More questions?"

**Q. Is a medical exam required?**

**A.** No, you and your family are guaranteed coverage without having to answer any health questions or take any medical exams.

**Q. Does the plan pay in addition to a retirement system's survivor benefits?**

**A.** Yes, this plan will pay a benefit in addition to pension and other insurance plans you may have.

**Q. Who is eligible for this coverage?**

**A.** All active members of the retirement system who are actively at work may enroll.

**Q. When will my coverage go into effect?**

**A.** If you enroll within 90 days of your date of employment, you will become insured on the first day of the month following your first payroll deduction. If you enroll during the open enrollment period, your coverage begins on the first day of the month following your first payroll deduction after open enrollment. Your member coverage will be delayed if you are not actively at work on the coverage effective date. Instead, your coverage will begin on the date you meet the actively-at-work and other insurance requirements for covered members. Dependent coverage begins when your insurance coverage becomes effective.†

**Q. When will my coverage end?**

**A.** Coverage will end if you discontinue payments, cease to be a member of the eligible classes, or if the plan is discontinued. Refer to the Booklet-Certificate for details.

**Q. What if I want to change my beneficiary?**

**A.** To change your beneficiary, simply indicate your new designation on the Enrollment and Beneficiary Form and return it to your employer.

## "How do I get more information?"

For additional information about life insurance or how to file a claim, please contact:

HealthSmart Benefit Solutions, Inc.
10303 East Dry Creek Road, Suite 200
Englewood, CO 80112
Phone: 800-525-8056
E-mail: NCPERS@healthsmart.com
www.NCPERSVoluntaryLife.com/persi

*Note — 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, IRC Section code 101(g). If the acceleration of life insurance benefits qualifies for such favorable tax treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to the acceleration of life insurance 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 excludable from income under federal law.

†If a dependent is confined for medical treatment, coverage will become effective when the dependent is released by a doctor from such confinement.

Accelerated Death Benefit option is a feature that is made available to group life insurance participants. It is not a health, nursing home, or long-term care insurance benefit and is not designed to eliminate the need for those types of insurance coverage. The death benefit is reduced by the amount of the accelerated death benefit paid. There is no administrative fee to accelerate benefits. Receipt of accelerated death benefits may affect eligibility for public assistance and may be taxable. The federal income tax treatment of payments made under this rider depends upon whether the insured is the recipient of the benefits and is considered terminally ill. You may wish to seek professional tax advice before exercising this option. This brochure describes the Group Insurance Plan in a general manner.

A Booklet-Certificate with complete plan information, including limitations and exclusions, will be provided when you enroll. If there is a discrepancy between this communication and the Booklet-Certificate issued by The Prudential Insurance Company of America, the Booklet-Certificate will govern.

NCPERS is a non-profit organization that provides education and support to public employee retirement systems. NCPERS has no role in the administration of the life insurance program and the benefits are guaranteed solely by the insurance carrier. NCPERS is compensated solely for the use of its name, service marks, and mailing lists.

Plan arranged and managed by Gallagher Benefit Services, Inc., the employee benefits division of Arthur J. Gallagher & Co. Gallagher receives compensation for the marketing and services they provide, which is discussed and disclosed annually with NCPERS.

Group Decreasing Term Life Insurance, Dependent Group Decreasing Term Life Insurance, and Accidental Death & Dismemberment Insurance are issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, New Jersey 07102. Contract Series: 83500.

This AD&D policy provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical, or major medical insurance as defined by the New York Department of Financial Services.

IMPORTANT NOTICE—THIS POLICY DOES NOT PROVIDE COVERAGE FOR SICKNESS.

The plan is administered by HealthSmart Benefit Solutions, Inc. Gallagher Benefit Services, Inc. and HealthSmart Benefit Solutions, Inc. are not affiliates of Prudential.

© 2014 Prudential Financial, Inc. and its related entities.

Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

Ver 04-ID Ed. 0214 97703-PDF

0203197-00003-00

Gallagher Benefit Services, Inc.