

**THE CALIFORNIA STATE UNIVERSITY**  
**Office of the Chancellor**  
**401 Golden Shore**  
**Long Beach, California 90802-4210**  
**(562) 951-4411**

**Date:** November 13, 2002

**Code:** **TECHNICAL LETTER**  
**HR/Benefits 2002-24**

**To:** Human Resources Directors  
Benefits Officers

**From:** Cathy Robinson, Assistant Vice Chancellor  
Human Resources Administration



**Subject:** **Benefits Update – Termination of CIGNA Universal Life Insurance Contract**

Effective December 31, 2002, the California State University's (CSU) voluntary life insurance contract with CIGNA will terminate and the State Controller's Office (SCO) will inactivate CIGNA premium deductions for CSU employees participating in the CIGNA plan. These deductions will be inactivated beginning with the December 2002 pay period, paid January 1, 2003, and as a result CSU employees will no longer be permitted to pay CIGNA premiums through payroll deduction (Code 075-103).

**Background**

Effective January 2000, CSU awarded its voluntary life insurance contract to The Standard Insurance Company (Standard). During the Spring 2000 Standard open enrollment period, we advised CSU employees that Standard was replacing CIGNA as the CSU's sponsored voluntary life insurance plan and that CIGNA's contract with the CSU would terminate at the end of the 2002 calendar year. Effective May 1, 2000, new enrollment in CIGNA was prohibited. Employees already enrolled in the plan were given the opportunity to continue with CIGNA through payroll deduction until December 31, 2002. During this (2 years and eight months) period, CIGNA participants have had the opportunity to enroll with Standard and continue their current coverage without having to complete a Medical History Statement. This opportunity to transfer CIGNA coverage levels to Standard will terminate December 10, 2002.

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**Distribution:** All Without Attachment

CSU Presidents  
Vice Chancellor, Human Resources  
Executive Vice Chancellor, CFO  
Vice Presidents, Business/Administration  
Director, SOSS  
Payroll Managers

**CSU's Final Notification to CSU Employees with CIGNA Coverage**

The Chancellor's Office is sending a certified letter to each CSU employee covered by CIGNA, informing them that payroll deductions no longer will be taken for payment of CIGNA insurance premiums effective with the December 2002 pay period.

The letter strongly urges CIGNA participants to either cancel coverage with CIGNA and enroll in Standard or exercise their CIGNA portability option. Employees "porting" coverage with CIGNA can pay premiums directly to CIGNA. **Employees wishing to enroll with Standard and maintain their current CIGNA coverage level(s) (without completing a Medical History Statement) must ensure Standard receives a completed and signed enrollment form by December 10, 2002.**

The CSU has over 1,000 employees with CIGNA deductions. We have provided a copy of the letter as an attachment for your reference. Each campus will be sent, under separate cover, a list of its CIGNA participants. If there are discrepancies between the list and your campus records, please notify us immediately. Campus Benefits Officers should be prepared to provide affected employees with The Standard Insurance Company's plan information and current rates.

If you have any questions, please contact Pamela Chapin in Human Resources Administration at (562) 951-4414 or by email at [pchapin@calstate.edu](mailto:pchapin@calstate.edu). This technical letter is also available on Human Resources Administration's web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

Attachment

CR/pc



# THE CALIFORNIA STATE UNIVERSITY

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OFFICE OF THE CHANCELLOR  
HUMAN RESOURCES ADMINISTRATION  
(562) 951-4411

FAX (562) 951-4954

November 13, 2002

## **Subject: Termination of CIGNA Life Insurance Contract – December 31, 2002**

Effective January 2000, the California State University (CSU) awarded the voluntary life insurance contract to The Standard Insurance Company (Standard). During the Spring 2000 open enrollment period for voluntary life insurance with Standard, you were advised in the benefits enrollment information that Standard was replacing CIGNA Universal Life Insurance (CIGNA) as the CSU's sponsored voluntary life insurance plan and that CIGNA's contract with the CSU would terminate at the end of the 2002 calendar year.

Our records show that you currently have CIGNA coverage for yourself and/or your dependents. **This is notification that due to the upcoming CIGNA contract termination, you will be required to either cancel coverage with CIGNA or exercise your CIGNA portability option.** Your monthly payroll deduction for CIGNA premium payments will be cancelled beginning with the December 2002 pay period (January 1, 2003 pay warrant). If you do not take action, your CIGNA coverage will terminate effective December 31, 2002.

If you and/or your dependents are currently covered by CIGNA, as our records indicate, one of the following options must be selected to ensure your life insurance coverage does not lapse:

**Continue with CIGNA:** If you wish to continue CIGNA coverage, you must exercise your portability option. Premiums should be paid directly to CIGNA. Your request to "port" coverage must be received by CIGNA as soon as possible to be sure your coverage does not lapse.

**Enroll with Standard:** If you wish to enroll with Standard and continue the same coverage amount you have with CIGNA (without completing a Medical History Statement), you must ensure Standard receives a completed and signed enrollment form by **December 10, 2002.**

**Termination of CIGNA**  
**November 13, 2002**  
**Page 2**

We encourage you to choose one of these two options as soon as possible. When making your decision, please keep in mind that Standard is the CSU's sponsored voluntary life insurance carrier and offers high coverage limits and competitive rates for both you and your family.

**CIGNA Cancellation or Portability Instructions**

For your convenience, we have enclosed CIGNA's "Request for Service Life Change Form" to use if you decide to cancel (See Item "J") or elect portability (See Item "N") of your CIGNA coverage. The completed form should be returned to CIGNA by December 31, 2002 to ensure your coverage is not canceled when CIGNA's contract is terminated on December 31, 2002. Upon receipt of the "Request for Service Life Change Form," CIGNA will notify the State Controller's Office (SCO) to stop your deductions if you port or cancel coverage prior to the December pay period. There is no need to contact the SCO for cancellation of your CIGNA deduction. Note: CIGNA deductions will automatically stop effective with the December pay period (January 1, 2003 pay warrant).

**Standard Enrollment Instructions**

You may obtain details of The Standard Insurance Company's plan information and current rates by contacting your campus benefits representative. To assist you, we have enclosed summary plan information and new premium rates effective May 1, 2003. If you choose to enroll with Standard, please contact Standard at (800) 378-5745. Standard must receive a completed and signed enrollment form by December 10, 2002 to ensure you are covered before the December 31, 2002 deadline. Upon approval of your enrollment, Standard will notify the SCO to initiate your Standard premium payment through payroll deduction.

If you have any questions regarding this matter, please contact me at (562) 951-4411. Questions regarding your coverage with either plan should be directed to Standard at (800) 378-5745 or CIGNA at (800) 828-3485.

Sincerely,

Pamela Chapin, Senior Manager  
Benefits and Salary Administration  
Human Resources Administration

Enclosures