

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
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Date: December 17, 2002

Code: TECHNICAL LETTER
HR/Benefits 2002-24
Supplement #1

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

Technical Letter HR/Benefits 2002-24 informed campuses that the California State University's (CSU) contract with CIGNA Universal Life Insurance (CIGNA) would terminate December 31, 2002, and that approximately 1,000 employees had CIGNA deductions. The Chancellor's Office sent a certified letter, dated November 13, 2002, to each CSU employee covered by CIGNA, informing them that deductions would no longer be taken for payment of CIGNA insurance premiums effective with the December 2002 pay period. The letter urged CIGNA participants to either cancel coverage with CIGNA and enroll in Standard or exercise their CIGNA portability option. It has come to our attention that the certified mailing may not have reached all employees impacted by the termination of CIGNA's contract.

“Undeliverable” CIGNA Letters

For those letters deemed “undeliverable” by the US Post Office and returned to the Chancellor's Office, we are making a second attempt to locate these individuals at their respective campuses – thus extending the Standard enrollment deadline for these employees. The Chancellor's Office has been sending the undelivered letters to campus benefits officers for delivery to “CIGNA” employees. Campuses are responsible for obtaining a dated signature from each employee, certifying that the letter has been delivered. The Termination of CIGNA Life Insurance Contract form has been attached for your use. Employees will have 31 calendar days from the date the signature was obtained to enroll with Standard.

Distribution: All Without Attachment

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

Campuses are to forward the form to the Chancellor's Office, Systemwide Human Resources Administration, attention Ms. Pamela Chapin.

Employees on Unpaid Leave

The certified letters sent to employees with CIGNA deductions may not have included employees on unpaid leave. In the event campuses discover employees enrolled in CIGNA, who were on unpaid leave at the time the list was generated (October 1, 2002), and as a result were not included on the mailing list, Standard will extend the enrollment deadline. Campuses will be responsible for notifying the Chancellor's Office of these employees immediately upon the employee's return to pay status. The Chancellor's Office will mail the letter to the employee's home address. The employee will have 60 days from the date of his/her return to pay status to enroll with Standard. Please note: While on unpaid leave, the employee will be unable to enroll with Standard. The employee may remain with CIGNA while on unpaid leave, through direct pay; however, CIGNA will deem the employee as having ported and adjust the premium rates to reflect ported rates. These new premium rates will be effective January 1, 2003 (December 2002 pay period).

As a reminder, if an employee becomes disabled while covered by CIGNA, he/she should apply for CIGNA's Waiver of Premium within one year of his/her date of disability. If approved by CIGNA, premiums could be waived while the employee remains disabled pursuant to the terms of the CIGNA certificate.

If you have any questions, please contact Pamela Chapin in Human Resources Administration at (562) 951-4414 or by email at 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
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Termination of CIGNA Life Insurance Contract

I, _____, hereby acknowledge that I have personally
(Print)
received the facsimile transmission containing a letter, with attachments, notifying me
that the voluntary life insurance contract with Cigna will be terminated. This letter is
addressed to me and the photocopy of the original envelope is marked unclaimed by
the United States Postal Service.

Employee Signature

Date