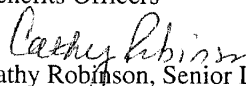


THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4411

Date: February 17, 2000

Code: TECHNICAL LETTER
HR/Benefits 2000-03

To: Human Resources Directors
Benefits Officers

From: 
Cathy Robinson, Senior Director
Human Resources Administration

Subject: New Voluntary Life Insurance Plan

Effective January 1, 2000, the California State University (CSU) awarded the voluntary life insurance contract to Standard Insurance Company. For represented employees, negotiations have been completed with all unions and as a result, the following employee groups are eligible to participate in this new voluntary plan:

Employee Category	Yes	No
Executive (M98)	X	
MPP (M80)	X	
Confidential (C99)	X	
Physicians (Unit 1)	X	
Faculty (Unit 3)	X	
Academic Support (Unit 4)		X
Units 2, 5, 7, 9 (CSEA)	X	
Skilled Crafts (Unit 6)	X	
Public Safety (Unit 8)	X	
Operating Engineers (Unit 10)	X	

Plan Features:

The CSU is pleased to provide a voluntary life insurance plan that provides both enhanced coverage features along with lower premium rates for employees. The new voluntary life insurance plan consists of the following components:

1. Competitive rates
2. An increase in coverage to a maximum of \$1,500,000 for employees
3. Guarantee issue coverage of \$150,000 for employees, \$50,000 for spouses/domestic partners and \$20,000 for children (all without evidence of insurability)

-Over-

Distribution:

CSU Presidents	Without Attachments
Vice Chancellor, Human Resources	Without Attachments
Executive Vice Chancellor/CFO	Without Attachments
Vice Presidents, Administration	Without Attachments
Payroll Managers	With Attachments

Plan Features – cont.

4. Waiver of premium for disabled employees
5. Suicide exclusion of one year
6. Portability for employee, spouse, and children
7. Insurance coverage not subject to reduction because of age
8. An increase in amount of coverage after initial enrollment (with evidence of insurability) processed at no cost to the employee
9. A living death benefit of up to 75% if terminally ill with a life expectancy of less than 12 months
10. Payroll deduction
11. The ability to enroll in the Standard plan for the same level of CIGNA coverage without evidence of insurability for employees currently covered by the CIGNA plan.

Attachment A provides a Voluntary Life Insurance Coverage Comparison Chart contrasting Standard and CIGNA.

Open Enrollment – March 1 - April 7, 2000

All eligible employees (except Unit 4 employees) may enroll in the new voluntary life insurance plan during the initial open enrollment that will be held from March 1 through April 7, 2000. No evidence of insurability is required if the employee selects coverage in an amount up to the appropriate Guarantee Issue amount during this open enrollment period. This will be the only open enrollment that will be scheduled for current employees for the foreseeable future. The effective date of the insurance will be May 1, 2000, contingent upon the State Controller's Office receiving the forms from Standard Insurance by April 10. Late forms will delay the effective date of coverage to June 1, 2000. Forms received by Standard close to the end of open enrollment may delay coverage one month.

In preparation for open enrollment, Standard Insurance Company has been contacting each campus to schedule employee meetings to introduce the new voluntary life insurance plan and to respond to employee questions. Additionally, each campus will receive enrollment packets from Standard. Attachment B is a letter from the Vice Chancellor, Human Resources introducing the new voluntary life insurance plan that should be attached to the Standard packet and distributed to all employee groups on your campus except for Unit 4 employees. The campus Benefits Officer will receive a separate letter with an original signature in order to reproduce the quantity required for your campus. We recommend this information be disseminated prior to the beginning of the open enrollment.

Required Forms

The Standard packet will include three forms :

1. The Standard Insurance Voluntary Life Insurance enrollment form. This form is required of all enrollees.
2. Medical History Statement. This Statement must be completed if the employee is enrolling self or spouse/domestic partner for insurance over the Guarantee Issue amount.
3. The payroll deduction form authorizing the State Controller's Office to deduct premium payments from the employee's pay warrant.

Employees who currently have insurance with CIGNA and want to change to the Standard plan are to complete the Standard enrollment form and the payroll deduction form. Employees with CIGNA insurance over the Standard Guarantee issue amount who are switching from CIGNA to Standard are NOT required to complete the Medical History Statement. However, these employees should state on the Standard enrollment form that they are changing from CIGNA and are exempt from completing the Medical History Statement.

Note: Employees who are changing from CIGNA to Standard will need to complete a separate payroll deduction form to terminate the CIGNA payroll deduction. Employees are cautioned to select the appropriate effective date to ensure there is no break in insurance coverage.

New Hires

Eligible new hires (except for Unit 4 employees) may enroll only in the Standard voluntary life insurance plan. They may not enroll in the CIGNA plan.

Eligible new hire Unit 4 employees are the only employees who may enroll in the CIGNA voluntary life insurance plan. Campuses should continue to use the CIGNA enrollment materials you have in stock. We will provide payroll deductions for CIGNA for the foreseeable future.

Please note: Effective immediately, Sanders and Associates is no longer authorized to offer voluntary life insurance to CSU employees. Employees who have life insurance through Sanders may continue participation in this plan through payroll deductions but new enrollments will not be processed. Employees who wish to change from Sanders to Standard will have to complete all Standard enrollment forms including completing the Medical History Statement for coverage over the Guarantee Issue amount.

If you have questions, please contact Pamela Chapin in Human Resources Administration at (562) 951-4414.

Attachments

Voluntary Life Insurance Coverage Comparison Chart

Participants	New Coverage Standard Insurance Amount of Coverage	Current Coverage CIGNA Insurance Amount of Coverage
Employee	Increments of \$10,000 up to \$200,000 and increments of \$25,000 thereafter to a maximum of \$1,500,000.	1x, 2x, 3x, 4x, or 5x annual salary up to a maximum of \$500,000, whichever is less.
Spouse/Domestic Partner	Increments of \$10,000 to \$200,000 and increments of \$25,000 thereafter to a maximum of \$750,000.	Increments of \$10,000 up to a maximum of 3x annual salary, or \$100,000 whichever is less
Children	\$5,000, \$10,000, or \$20,000	\$10,000
Cash Accumulation Fund	N/A	Employees and spouses may also make a monthly contribution to the cash accumulation fund. The amount of contribution is based on the age of the participant and the amount of insurance coverage selected.

Note: Employees are eligible for voluntary life insurance if they are appointed half time or more for more than six months. Spouses are eligible for voluntary life insurance regardless of whether the eligible employee chooses to participate in either plan. Children can be insured as long as either employee or spouse is insured.

Guaranteed Issue	Minimum \$150,000 for employees, \$50,000 for spouses, \$20,000 for children	Lesser of 3 x annual salary or \$150,000 for employees, \$50,000 for spouses, \$10,000 for children
Increase Allowed After Initial Enrollment	Only with evidence of insurability, processed at no cost to the employees.	Only with evidence of insurability, processed at no cost to the employees.
Waiver of Premium for Disabled Employees	Included	Included
Suicide Exclusion	One year	Two Years
Portability	Guaranteed Availability	Guaranteed Availability
Living Death Benefits	Up to 75% of benefit if terminally ill and have a life expectancy of less than 12 months.	N/A
Open Enrollment	Currently Scheduled for spring 2000	N/A

Voluntary Life Insurance Monthly Rates Side-by-Side

Age	New Coverage Standard Insurance		Current Coverage CIGNA Insurance	
	Employee Rate per \$1,000	Spouse Rate per \$1,000	Employee Rate per \$1,000	Spouse Rate per \$1,000
<25	.06	.07	.136	.132
25-29	.06	.07	.145	.140
30-34	.08	.08	.159	.148
35-39	.09	.10	.195	.179
40-44	.15	.17	.279	.255
45-49	.26	.29	.431	.377
50-54	.41	.45	.703	.604
55-59	.70	.77	1.103	.944
60-64	.74	.81	1.616	1.616
65-69	1.28	1.41	2.427	2.427
70+	2.06	2.11	Available upon Request	Available upon Request
Child	20		20	

Note: Rates quoted above are per \$1,000 per month.

Examples of Voluntary Life Insurance Costs (per month) Side-by-Side

Employee Age	New Coverage Standard Insurance		Current Coverage CIGNA Insurance	
	Insurance Level of \$50,000	Insurance Level of \$100,000	Insurance Level of \$50,000	Insurance Level of \$100,000
35-39	\$ 4.50	\$ 9.00	\$ 9.75	\$19.50
45-49	\$13.00	\$26.00	\$21.55	\$43.10
55-59	\$35.00	\$70.00	\$55.15	\$110.30
Spouse Age	Insurance Level of \$50,000	Insurance Level of \$100,000	Insurance Level of \$50,000	Insurance Level of \$100,000
35-39	\$ 5.00	\$10.00	\$ 8.95	\$17.90
45-49	\$14.50	\$29.00	\$18.85	\$37.70
55-59	\$38.50	\$77.00	\$47.20	\$94.40



THE CALIFORNIA STATE UNIVERSITY

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OFFICE OF THE CHANCELLOR
(562) 951-4411

FAX (562) 951-4954

March 2000

Dear Colleague:

The California State University is pleased to offer eligible employees the opportunity to apply for Voluntary Group Life Insurance with The Standard Insurance Company. A special open enrollment will be held from March 1 through April 7, 2000.

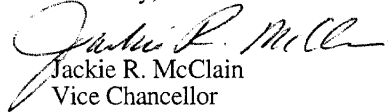
Voluntary Group Life Insurance can be a simple, easy way to help protect your loved ones in the event of your death. You can apply for the amount of protection you want for yourself, or for your eligible family members. Your insurance premiums will be deducted from your paycheck so that you do not have to worry about mailing monthly payments.

Voluntary Group Life Insurance from The Standard Insurance Company offers:

- **Competitive Group Rates.**
- **Flexibility.** You may apply for coverage for yourself from a minimum of \$10,000 to a maximum of \$1,500,000. If your family's needs change, you may apply for new coverage levels, though you may be required to answer medical questions.
- **Pre-Approved Coverage Amounts.** You can apply for coverage for yourself up to \$150,000 without answering medical questions.
- **Coverage for your Dependents.** You can apply for coverage for your spouse even if you do not become insured in the Voluntary Group Life Insurance plan. If you become insured, you can also apply for coverage for your eligible dependent children. Spouses may become insured for up to \$50,000 and dependent children up to \$20,000 without answering medical questions.
- **Continuation of Coverage (Portability).** If you leave the CSU, you may be eligible to take your life insurance coverage with you.

The enclosed packet from The Standard Insurance Company will explain the coverage more fully and will help you determine how much coverage you need if you decide to participate in this new plan.

Sincerely,


Jackie R. McClain
Vice Chancellor
Human Resources

Enclosure