

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
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Date: March 7, 2001

Code: TECHNICAL LETTER
HR/Benefits 2001-09

To: Human Resources Directors
Benefits Officers

From: Cathy Robinson, Senior Director
Human Resources Administration

Subject: Standard Voluntary Life Insurance Plan – Unit 4 Open Enrollment

The California State University and the Academic Professionals of California (Unit 4) recently completed negotiations extending the Voluntary Life insurance program, administered by The Standard Insurance Company (Standard), to benefits eligible Unit 4 employees appointed half time or more for more than six (6) months. A special open enrollment will be held from April 1, 2001 through April 30, 2001 to provide eligible Unit 4 employees with the opportunity to enroll in this program. Please refer to HR/Benefits 2000-03 for plan features.

Campus Benefits Officers will receive enrollment materials from Standard in mid March. These forms have been specifically labeled "Unit 4" in order to separate Unit 4 enrollment documents from those of other employees who missed the 2000 open enrollment and may be subject to Evidence Of Insurability requirements. No evidence of insurability is required if the Unit 4 employee selects coverage in an amount up to the appropriate Guarantee Issue amount during this special open enrollment. This is the only open enrollment scheduled for Unit 4 employees. The effective date of the insurance will be June 1, 2001, contingent upon the State Controller's Office receiving the forms from Standard prior to payroll cut-off. Forms received by Standard close to the end of open enrollment may delay coverage one month.

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Distribution: All without Attachments

CSU Presidents
Executive Vice Chancellor/CFO
Vice Chancellor, Human Resources
Vice Presidents, Administration
Associate Vice Presidents/Deans of Faculty
Payroll Managers
Director, SOSS

Two documents are provided to attach to the Standard packet to be distributed to your Unit 4 employees. Attachment A provides a Voluntary Life Insurance Coverage Comparison Chart contrasting Standard and CIGNA, and Attachment B is a draft cover letter. Every eligible Unit 4 employee should receive a packet.

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 warrants.

Unit 4 employees who currently have insurance with CIGNA and want to change to the Standard plan must 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.

Employees who are changing from CIGNA to Standard must notify the State Controller's Office to terminate the CIGNA payroll deduction. Employees are cautioned to select the appropriate effective date to ensure there is no break in insurance coverage. Employees currently participating with CIGNA are not permitted to maintain dual coverage with Standard. In situations where dual coverage exists, only one benefit would be payable upon the death of the insured.

Please note: Effective immediately, no new enrollments may be processed for the CIGNA plan. All new hires, both represented and non-represented who meet eligibility requirements, may only apply for the voluntary life insurance through Standard. The contract with CIGNA will terminate December 31, 2002. Current employees who have insurance with CIGNA may change to the Standard plan without providing the Medical Statement through December 31, 2002. After that date, employees who wish to enroll in the Standard plan will be subject to medical certification.

If you have any questions, please call Pamela Chapin in Human Resources Administration at (562) 951-4414 or via email at pchapin@calstate.edu. This Technical Letter is also available on Human Resources Administration's web page at: <http://www.calstate.edu/tier3/HR-Adm/memos.html>.

CR/pc

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	Maximum \$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. Currently Scheduled for spring 2000	N/A
Open Enrollment		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

March 2001

Dear Unit 4 employee:

The California State University is pleased to offer eligible Unit 4 employees the opportunity to apply for Voluntary Group Life Insurance with The Standard Insurance Company. A special open enrollment will be held from April 1, 2001 through April 30, 2001. The effective date of the insurance will be June 1, 2001.

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.** Please see attached comparison chart.
- **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/domestic partner 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/domestic partners 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, either through retirement or separation, 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. Please contact (campus Benefits Officer) at.xxxx if you have any questions.

Sincerely,

Campus Benefits Officer

Enclosures