THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802-4275
(310) 985-2669

Date: January 4, 1995

To: Personnel Officers
Benefits Officers

From: Cathy Robinson, Director
Human Resources Administration

Subject: CSU-PAID BASIC LIFE INSURANCE – CHANGE OF CARRIERS

The CSU-paid life insurance has changed from Commercial Life Insurance Company to Transamerica Occidental Life Insurance Company. The following codes and premiums are now in effect:

<table>
<thead>
<tr>
<th>Group</th>
<th>Coverage</th>
<th>Old Code</th>
<th>New Code</th>
<th>New Premium/Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPP &amp; Execs.</td>
<td>$50k life &amp; AD&amp;D</td>
<td>250-005</td>
<td>250-011</td>
<td>$10.35</td>
</tr>
<tr>
<td>Unit 3</td>
<td>$50k life &amp; AD&amp;D</td>
<td>250-007</td>
<td>250-012</td>
<td>10.35</td>
</tr>
<tr>
<td>Teach’g Assoc.</td>
<td>$50k life only</td>
<td>250-008</td>
<td>250-013</td>
<td>9.35</td>
</tr>
<tr>
<td>Unit 8</td>
<td>$10k life &amp; AD&amp;D</td>
<td>250-009</td>
<td>250-014</td>
<td>2.07</td>
</tr>
<tr>
<td>Unit 4</td>
<td>$25k life &amp; AD&amp;D</td>
<td>250-010</td>
<td>250-015</td>
<td>5.18</td>
</tr>
</tbody>
</table>

Attachment A highlights administrative issues related to this change in carrier. Please review it thoroughly and direct any questions to the systemwide benefits office at (310) 985-2669.

Attachment B is the updated form for direct payment of life insurance premiums during an unpaid leave of absence. Please copy this form for your future use. The wording for new brochure/certificates is still being developed. You should receive supplies by February. In the meantime, you may call Transamerica at (800) 523-7059, ext. 2302, or (213) 742-2302, for any forms you may need prior to delivery of your supplies. Thank you.

CR/pb
Attachments

Distribution:
Presidents
Vice Chancellor, Human Resources and Operations
Payroll Supervisors

(Without Attachments)
(With Attachments)
ADMINISTRATIVE GUIDE FOR CSU BASIC LIFE INSURANCE
Transamerica Occidental Life Insurance Company, Effective November 1, 1994

ELIGIBILITY: Employees in the following categories are eligible for CSU-paid Life and/or Accidental Death and Dismemberment coverage if they are appointed at least half time for more than six months:

<table>
<thead>
<tr>
<th>Group</th>
<th>Coverage</th>
<th>Old Code</th>
<th>New Code</th>
<th>New Premium/Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPP &amp; Execs.</td>
<td>$50k life &amp; AD&amp;D</td>
<td>250-005</td>
<td>250-011</td>
<td>$10.35</td>
</tr>
<tr>
<td>Unit 3</td>
<td>$50k life &amp; AD&amp;D</td>
<td>250-007</td>
<td>250-012</td>
<td>10.35</td>
</tr>
<tr>
<td>Teaching Assocs.</td>
<td>$50k life only</td>
<td>250-008</td>
<td>250-013</td>
<td>9.35</td>
</tr>
<tr>
<td>Unit 8</td>
<td>$10k life &amp; AD&amp;D</td>
<td>250-009</td>
<td>250-014</td>
<td>2.07</td>
</tr>
<tr>
<td>Unit 4</td>
<td>$25k life &amp; AD&amp;D</td>
<td>250-010</td>
<td>250-015</td>
<td>5.18</td>
</tr>
</tbody>
</table>

NOTE: Faculty Early Retirement Participants (FERPs) are NOT eligible for CSU-paid life and AD&D coverage.

AUTOMATIC ENROLLMENT PROCESS: Human Resources - Payroll Information Management Systems (HR-PIMS) runs a computer program to determine eligibility for life insurance and to automatically establish premiums for eligible employees. Please note that grandfathered academic year lecturers and coaches who qualify for benefits must have a Code 962 on their database record for life insurance enrollment to be accomplished.

If a benefits officer believes an eligible employee has been missed in the automatic enrollment process, please report the employee's name and Social Security number to systemwide benefits at (310) 985-2669. Do not report such a situation to the State Controller, as only the CSU systemwide benefits office can make a change.

BENEFICIARY DESIGNATIONS: The Transamerica policy contains an automatic beneficiary designation. Unless an employee specifies otherwise, death benefits are paid to the first of the following applicable categories:

- Spouse, if living
- Living children in equal shares
- Living parents in equal shares
- Brothers and sisters in equal shares
- The employee's estate.

Please note that the category of brothers and sisters is new to the CSU automatic beneficiary designation.

If the automatic beneficiary provision does not meet the employee's needs, he/she may designate a specific beneficiary(ies). The employee may also designate a
secondary beneficiary(ies), who would receive benefits in the event the primary beneficiary dies before the insured employee. The insurance company recommends employees consult with their legal counsel if they require more complicated beneficiary designations.

Employees who previously filed beneficiary designations with Thomas E. Mestmaker have had their forms transferred to Transamerica and they will be honored under the new CSU policy. Other employees wishing to designate specific beneficiaries must complete the attached beneficiary designation form and return it to:

Transamerica Occidental Life Insurance Company
1150 South Olive Street, Suite #1431
Los Angeles, CA 90015

If an employee changes his/her beneficiary at a later date, he/she should be given a "Change of Beneficiary" form to complete. The employee must sign the form, along with two witnesses. Upon receipt of the form, Transamerica will acknowledge the change and two copies will be returned to you. Please give one copy to the employee to attach to his/her Certificate of Insurance.

ASSIGNMENT OF OWNERSHIP: An employee may wish to assign all incidents of ownership, including the right to change beneficiaries and receive benefits, to someone else. Employees considering assigning ownership should consult with their legal counsel prior to completing the "Assignment of Certificate Holder's Rights" form.

Employees who previously filed assignment forms with Thomas E. Mestmaker have had their forms transferred to Transamerica and they will be honored under the new CSU policy. Other employees wishing to assign ownership must complete the Transamerica form, which must be signed by the employee, the assignee, and two witnesses.

Send the original assignment form to Transamerica. After receipt and acknowledgment by Transamerica, copies of the form will be returned to you. Give one copy of the assignment to the employee to attach to his/her Certificate of Insurance. In the even of a claim, a copy of the assignment must be sent along with the completed claim forms.

DISABILITY PREMIUM OF WAIVER: Any enrolled employee who was out ill on November 1, 1994, and remains disabled, may have a disability waiver of premium claim against the old carrier, Commercial Life Insurance Company. A waiver claim permits a disabled employee to continue life insurance coverage without paying premiums if he/she was disabled prior to age 70 and remains continuously and totally disabled for at least 6 months. All such claims must be filed with Commercial Life Insurance prior to October 31, 1995. Please advise affected employees to contact Thomas E. Mestmaker Insurance Associates as soon as possible at (805) 325-5999.
The new policy with Transamerica Occidental contains the same disability waiver of premium benefit as contained in the prior policy. If an employee suffers a total disability which begins before his/her 70th birthday, he/she may be eligible to continue life insurance coverage without payment of premium after a 6 month waiting period. The total disability must be caused by an injury or disease that begins after the 11/1/94 effective date of the Transamerica policy and it must prevent the employee from performing substantially all of the material duties of any gainful work for which he/she is qualified by reasons of education, training or experience.

Please note that there are a few situations in which the disability waiver of premium benefit is not available. It will not apply if the disability results from 1) intentionally self-inflicted injury, 2) participation in an insurrection, or 3) war (declared or undeclared) or any act of war.

The disability waiver of premium coverage automatically ends on the employee's 70th birthday, subject to any claim at that time. It also ends if the individual's premiums have not been paid (for example, while an employee should be paying direct during a leave of absence) or if the entire CSU policy is terminated.

Once an employee files for disability waiver of premium, the benefits will end: 1) if the employee fails to give Transamerica proof of disability, 2) if the employee refuses to submit to an examination requested by Transamerica, 3) if the employee recovers from the disability, or 4) on the employee's 70th birthday.

**HIGHLIGHTS OF NEW/CHANGED BENEFITS:** The CSU's policy with Transamerica contains a new benefit called the **accelerated death benefit.** This provision permits a covered employee who is terminally ill to receive up to 50% of his/her life insurance while still alive. "Terminally ill" is defined as an illness expected to result in death within twelve months.

Transamerica's Accidental Death and Dismemberment coverage also contains added benefits for **quadruplegia** (100% of the insurance is payable for total paralysis for all four limbs), **paraplegia** (75% of the insurance is payable for total paralysis of both lower limbs), and **hemiplegia** (50% of the insurance is payable for total paralysis of upper and lower limbs on one side of the body). In addition, the 25% dismemberment benefit is now also payable for the loss of hearing in one ear. The following accidental death and dismemberment provisions duplicate the CSU's prior coverage:

100% of insurance is payable for the following accidental losses:
- accidental death
- both hands or both feet, or sight in both eyes
- one hand and one foot
- speech and hearing in both ears
- either hand or foot and sight of one eye
50% of insurance is payable for the following accidental losses:
    either hand or foot
    speech
    hearing in both ears

25% of insurance is payable for the following accidental losses:
    thumb and index finger of same hand

NEW ADMINISTRATION INFORMATION/CONTACT: Transamerica administers this plan at its Los Angeles office. The following individual has primary responsibility for facilitating administration of the CSU policy:

    Ms. Glenda Cajigal
    Transamerica Assurance Company
    1150 South Olive
    Los Angeles, CA 90015-2200
    (213) 742-2302
    (800) 523-7059, extension 2302
    FAX (213) 741-5507

The new life insurance brochure is being approved and should be printed and delivered by February 1995. Glenda will also send each campus benefits officer a supply of beneficiary designation forms and an administration kit.

CONVERSION OF COVERAGE TO INDIVIDUAL LIFE: When an employee's life insurance coverage terminates, he/she may convert the coverage to an individual life policy. Conversion rates are determined on an individual basis. If the employee wishes to convert coverage, he/she should obtain a "Conversion Application" form from Transamerica at (800) 523-7059. The completed Conversion Application must be received by Transamerica within 31 days of the date coverage under the CSU's group policy terminates. Transamerica will prepare illustrations of the annual premiums due for the applicant once it receives the application. The applicant must then remit payment to Transamerica by the stated due date.
REQUEST FOR CONTINUED LIFE INSURANCE/DIRECT PAYMENT AUTHORIZATION

(NOTE: No CSU contribution will be made toward the premium payable during absence)

Part A (Employee Information)

<table>
<thead>
<tr>
<th>1. Soc. Sec. No.</th>
<th>2. Name: (first) (middle) (last)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Home Phone</th>
<th>4. Mailing Address: (street) (city) (state) (zip)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Part B (Employee to sign if DOES NOT desire to continue)

5. I do not desire to continue my life insurance coverage while off pay status. I understand that my life insurance coverage will lapse while off active pay status.

Employee Signature: ________________________________ Date: __________

Part C (Employee to sign if DESIRES to continue)

6. I request continuance of my life insurance coverage during the time I will be temporarily off pay status. I agree to make direct payment of the total premium to the insurance carrier. I understand that failure to make timely premium payments while off pay status and/or failure to notify the carrier of loss of eligibility due to a permanent separation or retirement will result in termination of my coverage and the carrier's liability. I understand that I will not be billed by the carrier and that I must pay the premium for the month in which I return to active pay status.

I agree to pay to: Transamerica Assurance Company
e/o Glenda Cajigal
P.O. Box 30340
Los Angeles, CA 90030-0340

the total premium of $________ if my leave is 6 months or less. If my leave is longer than 6 months, I will either pay the total amount of $________ or make quarterly payments of $________. Quarterly checks are due to the carrier prior to the tenth of the month preceding the first month of each quarter. Refunds will be made for full months of overpayment only (partial months cannot be refunded).

Employee Signature: ________________________________ Date: __________

Part D (To be Completed By Benefits Officer)

Type of Absence:________________________

Dates of Absence: From __________ To __________

Employee to pay for the months of __________ through __________

Employing Campus: ________________________________ Agency Code: __________

Address: _______________________________________

Phone: (________)

I certify that all of the above information is correct according to our records.

Campus Signature: ________________________________ Date: __________

Distribution:
If employee chooses not to continue: one copy to employee and one to file.
If employee chooses to direct pay: one copy to employee, one to file and one to carrier.