
**LIFE
INSURANCE PLAN**

FOR

FULL-TIME APPOINTED

EMPLOYEES

OF

INDIANA UNIVERSITY

UNIVERSITY HUMAN RESOURCE SERVICES

EFFECTIVE JANUARY 1, 2004

This booklet is designed to summarize the group Life Insurance Plan being offered by Indiana University to eligible *employees* and is not intended to provide a detailed description of the coverage.

Insured *employees* may obtain a certificate of coverage from their campus Human Resources Office. The certificate contains a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the *group policy* issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way.

Please note that defined terms and provisions from the *group policy* and certificate are italicized in this booklet.

Indiana University reserves the right to modify, amend, change or discontinue this plan at any time.

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Life Insurance Plan Highlights

Plan Type	Eligibility	Enrollment
<p>Indiana University's Life Insurance Plan consists of group term life insurance. Term life insurance pays a benefit when a death occurs while the <i>eligible employee</i> or <i>eligible retiree</i> is covered; it does not retain cash value after coverage ends. It is underwritten by Standard Insurance Company.</p> <p>Basic Life and Accidental Death and Dismemberment (AD&D) coverage is provided by the University to all <i>eligible employees</i> at no cost to the <i>employees</i>.</p> <p>Eligible <i>employees</i> may also choose Supplemental Life Insurance. This coverage is optional and purchased by the employee through payroll contributions.</p>	<p>The following categories of individuals associated with Indiana University are eligible for group Life Insurance:</p> <ul style="list-style-type: none"> • All full-time appointed <i>employees</i> • <i>Employees</i> with retiree status based on specified age and years of service criteria 	<p>Eligible <i>employees</i> are enrolled in Basic Life and AD&D Insurance effective the date they become eligible, usually on their date of hire.</p> <p>Eligible <i>employees</i> may enroll in Supplemental Life Insurance by giving written election to the University within 60 days of hire.</p> <p>After 60 days of hire, <i>employees</i> may still enroll in Supplemental Life Insurance, but must complete a Medical History Statement and enrollment is subject to approval by The Standard.</p>
Coverage	Additional Benefits	Tax Implications
<p>Full-time appointed <i>employees</i> receive Basic Life Insurance in the amount of two times the <i>employee's</i> budgeted base annual salary to a maximum of \$50,000 up to age 65; the amount reduces at age 65.</p> <p>AD&D coverage for the <i>employee</i> is the same amount as the Basic Life Insurance.</p> <p>An eligible <i>spouse</i> may be insured for \$3,000.</p> <p>An eligible <i>child</i> may be insured for \$1,000.</p> <p>An <i>eligible retiree</i> may be insured for \$6,000.</p> <p>Supplemental Life Insurance is optional and covers only the <i>employee</i>. It is available in benefit amounts of one, two, three or four times the <i>employee's</i> budgeted base annual salary; the amount reduces at age 65.</p>	<p>Basic Life coverage includes:</p> <ul style="list-style-type: none"> • Permanent and Total Disability Benefit • Waiver of Life Insurance Premium <p>Both Basic Life and Supplemental Life Insurance have:</p> <ul style="list-style-type: none"> • An <i>accelerated benefit</i> when the <i>employee</i> has a terminal illness. • A conversion privilege that allows eligible <i>employees</i> to convert terminated coverage to certain types of individual life insurance policies when coverage ends or reduces. 	<p>Permanent and Total Disability Benefits received under the group plan are currently considered taxable by the IRS and will be reported accordingly.</p> <p>The <i>accelerated benefit</i> may be taxable and affect eligibility for other government benefits or entitlements.</p> <p><i>Employees</i> should consult their personal tax or legal advisors before applying for benefits.</p>
		Beneficiaries
		<p>In the event of the <i>employee's</i> death, benefits are payable to the <i>employee's</i> beneficiary.</p> <p>For <i>dependent, spouse</i> or <i>child</i> claims, the <i>employee</i> is the <i>beneficiary</i>.</p>

Additional details are in the following sections.

Group Life Insurance

Indiana University provides a basic amount of group Life and Accidental Death and Dismemberment (AD&D) Insurance to eligible *employees* who meet the *active work* requirement. Indiana University fully pays for this basic coverage. Eligible *employees* are automatically enrolled in the Basic Life and Basic AD&D Insurance as soon as they become eligible, usually the date of hire. In addition, Indiana University also provides an opportunity for eligible *employees* to apply for Supplemental Life Insurance from Standard Insurance Company. This additional life insurance coverage is paid for by the *employee*.

By sponsoring the Supplemental Life Insurance from The Standard, Indiana University offers *employees* an excellent opportunity to increase their life insurance protection. The advantages include:

- **Choice.** The *employee* decides how much coverage is needed from the range of amounts available.
- **Flexibility.** If an *employee's* needs change, the *employee* can request to change the amount of coverage. Increases in coverage require *evidence of insurability*.
- **Convenience.** With premiums deducted directly from *employees' paychecks*, *employees* don't have to worry about mailing monthly payments.

Group Life Insurance

ELIGIBILITY

Indiana University provides Basic Life Insurance coverage for the following classes of individuals:

- Employee** All full-time appointed *employees*. Insurance is also continued for *employees*:
- On sabbatical leave of absence to the end of 12 months or, if earlier, the end of such leave
 - On leave of absence due to sickness or injury to the end of 12 months after the disability began
 - On an approved family medical leave to the end of six months or, if earlier, the end of such leave
 - On leave of absence without pay for reasons other than sickness or injury to the end of 12 months or, if earlier, the end of such leave, provided that after the first three months of such leave, the covered *employee* has applied for continuance of such insurance and has made payment of the group premium to Indiana University in advance, at quarterly or greater intervals

Eligible Retiree *Employees* who have retiree status based on the following age and years of service criteria:

Age	Years of Service
55	30
56	28
57	26
58	24
59	22
60	20
61	18
62	16
63	14
64	12
65 and over.....	10

The years of service requirement will be prorated for ages that fall between the ages that are listed in the above table.

At ages 60, 61 and 62, employees covered by the PERF retirement plan on the date of termination shall qualify with at least 15 years of Indiana University service.

All *employees* who are covered under the Basic Life Insurance coverage are eligible to apply for Supplemental Life Insurance.

Eligible retirees and *dependents* are not eligible for AD&D benefits.

Basic Life Insurance

ENROLLMENT

Employees are automatically eligible for the Basic Life Insurance coverage on the day they enter an eligible class. Coverage becomes effective on the date *employees* become eligible provided they meet the *active work* requirement. This is usually the day they are hired.

If an *employee* is incapable of *active work* on the date insurance is to begin, it will not become effective until the day after the *employee* has completed one full day of *active work*.

Active Work Requirement

Active work means performing with reasonable continuity, for wages that are paid regularly by Indiana University, the material duties of the *employee's* normal occupation at the *employee's* usual place of work or at any alternate place of work required by Indiana University. For purposes of becoming eligible for insurance, becoming insured and increasing insurance, *actively at work* will include regularly scheduled days off, holidays or vacation days, as long as the *employee* is capable of *active work* on those days and was *actively at work* on the last day the *employee* was required to be at the workplace.

AMOUNT OF BASIC LIFE INSURANCE

The amount of Basic Life Insurance equals a multiple of the *employee's* budgeted base salary, reduced to the next multiple of \$1,000. If under age 65, *employees* are covered for two times their budgeted base annual salary. If 65 or older, they are covered for 1.3 times their budgeted base annual salary. The maximum amount of Basic Life Insurance under this schedule is \$50,000.

An eligible *spouse*/registered *domestic partner* may be insured for \$3,000 of Dependents Life insurance and each eligible *child* may be insured for \$1,000 of Dependents Life insurance.

A *dependent* is defined as an *employee's* legal *spouse*/registered *domestic partner* or unmarried *child* who is less than age 20 (or age 24 if a registered full-time student in an accredited educational institution and dependent on the *employee* for support and maintenance). *Dependents* are eligible on the day the *employee* becomes eligible or the day they become *dependents*.

Eligible retirees who terminated after January 1, 2003, are eligible for \$6,000 of Basic Life insurance.

Basic Life Insurance

PERMANENT AND TOTAL DISABILITY BENEFIT

If an *employee* becomes *permanently and totally disabled*, the *employee* will be eligible for a *permanent and total disability (PTD) benefit* paid in monthly installments. It will equal \$18 per \$1,000 of Basic Life Insurance for which the *employee* was insured at the start of *disability* and continue for a maximum payment period of 60 months. *Disability* must have begun before the *employee* became age 60 while insured under the *group policy* and the *employee* must have been insured for 12 consecutive months prior to the start of the *disability*. The *PTD benefit* applies to the first \$20,000 of Basic Life Insurance and is a taxable benefit under current federal tax laws.

WAIVER OF PREMIUM BENEFIT

If approved for the *waiver of life insurance premium benefit*, The Standard will continue without premium payments the amount of the *employee's* Basic Life Insurance in effect at the start of *total disability* minus \$20,000.

To be eligible for this benefit an *employee* must be under the age of 70 and become *totally disabled* while insured under the *group policy* other than as an *eligible retiree*. The *total disability* must continue for six consecutive months and satisfactory proof of *total disability* must be provided to The Standard.

The *waiver of life insurance premium benefit* does not apply to AD&D coverage.

Insurance continued under the *waiver of life insurance premium benefit* will cease on the earliest of the following events:

- The date the *employee* ceases to be totally disabled
- The date the *employee* becomes age 70, unless continued as a *retired employee*
- The date the *employee* fails to give proof of continuous *total disability*, as required

Insurance will not be affected by termination or amendment of the *group policy* after the *employee* becomes *totally disabled*.

ACCELERATED DEATH BENEFIT

If an *employee* has a terminal illness in which life expectancy is 12 months or less, and the *employee* meets other requirements, the *employee* may elect to accelerate the payment of group Life Insurance in advance of death. The *employee* may elect to receive up to 100 percent of the group Life Insurance for which the *employee* is insured. This benefit allows the *employee* to use the proceeds as desired — whether to cover medical expenses or to help maintain quality of life. The amount of group Life Insurance payable upon death is then reduced by the *accelerated benefit* paid.

COST

Indiana University pays 100 percent of the premium for Basic Life Insurance provided to eligible *employees*.

Basic AD&D Insurance

ENROLLMENT

Employees are automatically eligible for the AD&D Insurance coverage on the day they enter an eligible class. Coverage becomes effective on the date *employees* become eligible provided they meet the *active work* requirement. This is usually the day they are hired.

If an *employee* is incapable of *active work* on the date insurance is to begin, it will not become effective until the day after the *employee* has completed one full day of *active work*.

Eligible retirees and *dependents* are not eligible for *AD&D benefits*.

Active Work Requirement

Active work means performing with reasonable continuity, for wages that are paid regularly by Indiana University, the material duties of the *employee's* normal occupation at the *employee's* usual place of work or at any alternate place of work required by Indiana University. For purposes of becoming eligible for insurance, becoming insured and increasing insurance, *actively at work* will include regularly scheduled days off, holidays or vacation days, as long as the *employee* is capable of *active work* on those days and was *actively at work* on the last day the *employee* was required to be at the workplace.

AMOUNT OF AD&D INSURANCE

The amount of the AD&D insurance is equal to the amount of Basic Life Insurance.

With AD&D coverage, *employees* or their *beneficiaries* may be eligible to receive an additional amount in the event the *employee* dies or sustains bodily injuries as a result of an accident. The loss must occur within 365 days after the accident.

The amount of the *AD&D benefit* for loss of life is equal to the full amount of AD&D insurance in effect on the date of the accident.

The amount of the *AD&D benefit* for other covered losses is a percentage of the full amount of the AD&D insurance in effect on the date of the accident, as shown below:

Loss	Percentage Payable
Hand severed at or above the wrist.....	50%
Foot severed at or above the ankle.....	50%
Permanent loss of sight in one eye.....	50%
More than one of the losses listed above.....	100%

Proof of loss satisfactory to The Standard must be received before the *AD&D benefit* under the *group policy* will be paid. Not more than the full amount of AD&D insurance will be paid for all losses sustained in any one accident.

Basic AD&D Insurance

Additional AD&D Benefits

When an *AD&D benefit* is payable, the following will apply:

- **Seat Belt Benefit.** The Standard will pay an additional benefit of \$10,000 in the event the *employee* dies as a result of an *automobile* accident in which the driver had a current and valid driver's license at the time of the accident and the *employee* was properly wearing and using a *seat belt system*, as evidenced by a police report.
- **Repatriation Benefit.** The Standard will pay up to \$5,000 or 10 percent of the *AD&D benefit* for preparation and transportation of the body to a mortuary near the *employee's* primary principal residence in the event the *employee* dies as a result of an accident at least 200 miles from the *employee's* principal residence.

COST

Indiana University pays 100 percent of the premium for Basic AD&D Insurance provided to eligible *employees*.

Supplemental Life Insurance

ENROLLMENT

To become insured for the Supplemental Life Insurance, *employees* must be eligible for insurance and give *written election* to Indiana University. It is important to give *written election* within 60 days after the date the *employee* becomes eligible by completing the appropriate section in the enrollment packet. Otherwise, *evidence of insurability* satisfactory to The Standard will also be required.

Provided an *employee* is *actively at work* on the date the *employee* becomes eligible, insurance will become effective on the same date or the date:

- The *employee* becomes eligible, if *written election* is given to the *employer* on or before that date; or
- The *employer* receives *written election*, if it is given within 60 days after the date the *employee* becomes eligible; or
- The Standard approves *evidence of insurability*, furnished at no cost to The Standard, if *written election* is given to the *employer* more than 60 days after the *employee* becomes eligible
- The Standard approves *evidence of insurability*, furnished at no cost to The Standard, for Supplemental Life Insurance amounts over the *guarantee issue amount*

If an *employee* is incapable of *active work* on the date insurance is to begin, it will not become effective until the day after the *employee* completes one full day of *active work*.

Active Work Requirement

Active work means performing with reasonable continuity, for wages that are paid regularly by Indiana University, the material duties of the *employee's* normal occupation at the *employee's* usual place of work or at any alternate place of work required by Indiana University. For purposes of becoming eligible for insurance, becoming insured and increasing insurance, *actively at work* will include regularly scheduled days off, holidays or vacation days, as long as the *employee* is capable of *active work* on those days and was *actively at work* on the last day the *employee* was required to be at the workplace.

EVIDENCE OF INSURABILITY REQUIREMENT

If an *employee* applies for Supplemental Life Insurance within 60 days of becoming eligible to apply and meets the *active work* requirement, the *employee* will automatically qualify for up to the *guarantee issue amount*. This means that the *employee* will not have to answer medical questions to purchase coverage up to this amount.

Employees must provide *evidence of insurability* satisfactory to The Standard, and at no cost to The Standard:

- If *written election* is given more than 60 days after the date the *employee* becomes eligible
- To insure amounts above the *guarantee issue amount*
- If *written election* is given for a greater amount of insurance

When *evidence of insurability* is required, the *employee* completes and submits a Medical History Statement. In some cases, The Standard may request additional medical information or a physical exam. Coverage subject to *evidence of insurability* is not effective until approved by The Standard.

Supplemental Life Insurance

AMOUNT OF SUPPLEMENTAL LIFE INSURANCE

Eligible *employees* may select an amount of Supplemental Life Insurance, as follows:

	Amount of Insurance	Guarantee Issue	Maximum Coverage
Option 1	One times salary	\$50,000	\$250,000
Option 2	Two times salary	\$100,000	\$500,000
Option 3	Three times salary	\$150,000	\$750,000
Option 4	Four times salary	\$200,000	\$1,000,000

To become insured for an amount of Supplemental Life Insurance in excess of the *guarantee issue amount*, the excess will require satisfactory *evidence of insurability*. All late applications and requests for coverage increases are also subject to satisfactory *evidence of insurability*.

WAIVER OF PREMIUM BENEFIT

If approved for the *waiver of life insurance premium benefit*, The Standard will continue without premium payments the amount of the employee's Supplemental Life Insurance in effect at the start of *total disability*.

To be eligible for this benefit an *employee* must be under the age of 70 and become *totally disabled* while insured under the group policy other than as an *eligible retiree*. The *total disability* must continue for six consecutive months and satisfactory proof of *total disability* must be provided to The Standard.

The *waiver of life insurance premium benefit* does not apply to AD&D coverage.

Insurance continued under the *waiver of life insurance premium benefit* will cease on the earliest of the following events:

- The date the employee ceases to be totally disabled
- The date the employee becomes age 70, unless continued as a *retired employee*
- The date the employee fails to give proof of continuous *total disability*, as required

Insurance will not be affected by termination or amendment of the *group policy* after the employee becomes *totally disabled*.

COST

The Supplemental Life Insurance is paid for by the *employee*. Contact the campus Human Resources Office for monthly premium rate information.

Additional Information

REDUCTIONS IN INSURANCE

Under this plan, reductions in insurance amounts will be made when an *employee's* attained age changes. At age 65 or older, the amount of Basic Life Insurance will be equal to the *employee's annual wage* multiplied by 1.3, up to a maximum of \$50,000. At age 65 or older, the amount of Supplemental Life Insurance, if any, will be equal to the amount of coverage in force for the employee immediately prior to becoming age 65 multiplied by 65 percent.

EXCLUSIONS

If death results from suicide or other intentionally self-inflicted injury while sane or insane, the amount payable excludes the amount of group Life Insurance which has not been continuously in effect for at least two years on the date of death.

In addition, no *AD&D benefit* will be payable if death or other loss is caused or contributed to by:

- A disease or illness of any kind, including heart attack or stroke
- Suicide, while sane or insane
- An intentionally self-inflicted condition, while sane or insane
- *War* or act of *war*
- Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot
- The voluntary use or consumption of alcohol or being under the influence of a narcotic, unless used or consumed according to the directions of a *physician*

WHEN COVERAGE ENDS

Group Life Insurance, including AD&D coverage, will automatically end on the earliest of the following:

- The date the *group policy* terminates
- The date the *group policy* is changed to terminate coverage on the class of *employees* to which an *employee* belongs
- The date the last period ends for which a premium was paid for insurance
- The date an *employee* fails to meet any required *work test*
- The date an *employee* stops *active work* in an *eligible class*; however, insurance may continue for limited periods under certain circumstances

If an *employee* is no longer *actively at work* due to a leave of absence or other absence, contact the Human Resources Office for information about options available under the *group policy* for insurance to continue during a leave of absence.

Dependents Life Insurance will automatically end on the earliest of the following:

- The date Dependents Life Insurance terminates under the *group policy* for the class of *employees* to which the *employee* belongs
- The date the last period ends for which a premium was paid for Dependents Life Insurance
- The date the *dependent* ceases to be an eligible *dependent*
- The date the *employee* becomes an *eligible retiree*
- The date group Life Insurance ends for the *employee*

CONVERSION OF INSURANCE

When group Life Insurance from The Standard ends or reduces for any reason other than failure to pay premiums, *employees* may be able to convert the terminated coverage to certain types of individual life insurance policies without providing *evidence of insurability*. *Employees* must apply for conversion and pay the required premium within 31 days after the group Life Insurance ends or reduces. The total amount which may be converted is the amount in effect when coverage ceased, including both the Basic and Supplemental Life Insurance.

Filing a Claim

To file a claim, please contact the University Human Resources Office for a Proof of Death Claim Packet and follow the steps below:

1. Complete, sign and date the Proof of Death Claim form, including current beneficiary designation.
2. Instruct the beneficiary to complete the Life Insurance Benefits Beneficiary Statement.
3. Send the Proof of Death Claim form to The Standard at the address given on the form, including the following attachments:
 - All of the *employee's* Enrollment and Change and Beneficiary Designation forms (including any forms from previous carriers)
 - A certified copy of the decedent's death certificate
 - Any other documents that provide additional information for the claim, such as an accident report for Accidental Death claims



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A subsidiary of StanCorp Financial Group, Inc.

SI 11899-135262 (2/05) EE
Group Policy Form Numbers: GPTC1002-LIFE, GCTC1002-LIFE