YES!

You CAN take it with you

You Are Now Eligible To Convert
Your Current Long-Term Disability Insurance
To Disability Conversion Insurance — DCI Coverage

Cigna Admin ER (LTD)
874486 05/2018

HELP PROTECT YOUR FUTURE…HELP PROTECT YOUR INCOME

Say YES to this Opportunity for Added Financial Security:

Your ability to work and earn a living, something which can be so vital to your financial well-being and your family's security, has been protected by the group long-term disability insurance you've had on the job. Disability income coverage can be **essential protection**, and your need for this essential protection may be more compelling now than ever before.

An excellent feature of your present group long-term disability insurance coverage is the conversion option; a specific privilege that allows you to participate in a separate group long-term disability policy not sponsored by your employer, after you're no longer covered under your current group long-term disability insurance plan.

You are now eligible to enroll for this important coverage that works for you:

- during a period of unemployment not caused by disability or retirement,
- while you are waiting to become eligible for disability insurance under a new employer's disability plan,
- even while you are working for an employer who does not offer this valuable protection.

This is an opportunity you can't afford to miss. The information you need to make an informed decision is included in this brochure and on the enrollment form we've enclosed for completion by you.

Take advantage of this opportunity. Enroll for Disability Conversion Insurance (DCI), the personal coverage designed to help protect your financial well-being and your family's security in the days ahead. You'll be glad you did.

DCI HIGHLIGHTS

Under the DCI plan, you can be assured of:

- a predictable monthly income during periods of covered total disability resulting from either accident or sickness
- continuing partial disability benefits when you are able to do some limited rehabilitative work for wage or profit
- benefits payable to age 65, if you become disabled before age 63. For disabilities beginning after age 62, benefits are payable for periods of one to three years. See the Benefit Period section for additional benefit period information
- economical group premiums, based on age, prior occupation and elected benefit waiting period, if optional
- premiums are payable quarterly and are conveniently billed to you
- waiver of premium — no premiums are due while disability benefits are payable

This brochure is a brief description of the following Disability Conversion Insurance Group Policies. More complete details will be provided in your Certificate of Insurance.

Group Policy, GKL-1, underwritten by Life Insurance Company of North America and issued to the Trustees of the Cigna Long-Term Disability Income Conversion Trust (available to residents of all states except New York)

Group Policy, GKN-1, underwritten by Cigna Life Insurance Company of New York and issued to the Trustees of the Cigna Long-Term Disability Income Conversion Trust (available to residents of New York)

Cigna Admin ER (LTD)
874486 05/2018

DCI GENERAL INFORMATION

Eligibility and Effective Date

You <u>are eligible</u> to participate in this plan if:

- you are an employee covered under your employer's long-term disability plan for the timeframe referenced in your Certificate of Insurance; typically at least 12 consecutive months.
- your employer's group long-term disability plan is underwritten by a Cigna company; and
- your employer's group long-term disability policy includes a conversion privilege; and
- your employer's plan is not terminating; and
- you are terminating your employment or beginning an uninsured leave of absence.

You are <u>not eligible</u> for disability conversion insurance if you are:

- **Retiring,**
- **Disabled,**
- **Age 70 or over,**
- **or, if your current employer is terminating its Cigna long-term disability policy.**

You may enroll for this coverage without providing evidence of good health, by submitting a completed application along with your check or money order for the non-refundable $25 administrative fee, by the deadline stated in your certificate of insurance (which will not be less than 31 days from your last day worked).

Upon receipt of your application we will calculate the amount of premium due to activate and maintain your coverage under the policy and will bill you that amount. Once you remit the required premium your DCI coverage will become effective on the date following the date your group insurance coverage terminates.

Applications submitted after the deadline stated in your certificate of insurance, or those not accompanied by the non-refundable $25 administrative fee, will not be accepted.

Duration of Coverage

You cannot be singled out for termination. Provided that the group DCI policy remains in force, your DCI certificate will remain in force until the earlier of the date you reach age 70, cease to pay premium, or notify the Insurance Company in writing that you wish to discontinue the insurance.

Your DCI Benefits

You are eligible for DCI benefits when you become Totally Disabled. You are considered Totally Disabled when you are:

- not able, because of injury or sickness to perform all of the essential duties of any occupation for which you are, or may reasonably become, qualified based on your education, training or experience; and
- not in fact engaged in any employment or occupation for wage or profit other than Rehabilitative work.

Your DCI insurance will pay you a monthly benefit after you have been Totally Disabled throughout the Benefit Waiting Period shown in your certificate. Your gross monthly benefit may not exceed the monthly benefit in force for you under your employer's group plan. Your Maximum Disability Benefit equals a percentage of your Covered Earnings, not to exceed the lesser of any Maximum Disability Benefit under your Employer's plan or $3,000 per month. This percentage will be the lesser of 60% of your monthly Covered Earnings (see "Covered Earnings" below) or the percentage used to determine your benefit under your employer's disability plan. Please note that your gross disability benefit may be reduced if, at the time you become disabled or thereafter, you are receiving any other income, as described below (Integration with Other Benefits).

Benefit Waiting Period

The benefit waiting period is 180 days of continuous total disability. However, if your employer classifies you as an executive, management or supervisory employee, you may select a 90-day waiting period.

Covered Earnings

The amount of your covered monthly earnings is determined at your date of termination and is not subject to change. Covered earnings consist of your monthly wage or salary, at the rate in effect on your last day of active service with your employer, and does not include overtime, bonuses, additional compensation, or pay for more than 40 hours a week. If you were paid wholly or in part by commissions, your covered monthly earnings will include amounts received as commissions, averaged over the previous 12 months.

Your DCI benefit will be computed and confirmed to you at the time your enrollment form is accepted by the Insurance Company.

Rehabilitative Work Provision

Your DCI benefits can continue while you are able to perform rehabilitative work approved by the Insurance Company. While you are engaged in rehabilitative work, your DCI benefit will be reduced, but only by 60% of the earnings you are receiving for such work.

For example, if you had been collecting $900 a month from your DCI coverage, and later were able to perform some part-time work for which you received $500 a month, your DCI benefit would be reduced to $600 a month. (60% of $500 = $300…$900 minus that $300 = $600.) This $600, added to your wages for the new work, would bring your total income to $1,100 a month. This rehabilitation benefit is payable during the length of your covered disability, for as long as you are performing rehabilitative work approved by the Insurance Company.

Integration with Other Benefits

Your DCI benefits will be reduced by certain other income you may receive while you are Totally Disabled. These other sources of income include any Social Security disability benefits the Covered Person or any third party receives (or is assumed to receive*) on your behalf or for his or her dependents; or, if applicable, which his or her dependents receive (or are assumed to receive*) because of Covered Person's entitlement of such benefits, the Canada and Quebec Pension Plans, Railroad Retirement Act benefits, or other state, local, provincial or federal government disability, unemployment compensation or retirement plan; worker's compensation or occupational disease benefits; employer-provided sick leave; work-loss benefits provided by mandatory "no-fault" auto insurance; employer-funded retirement benefits; disability benefits payable under any group or franchise insurance plan; damages from third parties on account of wage loss or loss of earning capacity.

Your DCI benefit can never be reduced to less than $100 per month because of your receipt of other benefits, except to recover an overpayment. Your DCI benefits will never be reduced by any cost-of-living increases you receive from any other sources of income.

*Assumed Receipt of Benefits

The Insurance Company will assume you (or your dependents, if applicable) are receiving Other Income Benefits if they may be eligible for them. These assumed benefits will be the amount the Insurance Company estimates you (or your dependents, if applicable) may be eligible to receive. Disability Benefits will be reduced by the amount of any assumed benefits as if they were actually received.

Except for any wage or salary for work performed while Disability Benefits are payable, this assumption will not be made if you give the Insurance Company proof of the following events.

1. Application was made for these benefits
2. A Reimbursement Agreement is signed
3. Any and all appeals were made for these benefits or the Insurance Company determines further appeals will not be successful
4. Payments were denied

The Insurance Company will not assume receipt of, nor reduce benefits by, any elective, actuarially reduced, or early retirement benefits under such laws until you actually receive them.

Integrating DCI Coverage with another Group Disability Plan

If you are also entitled to receive disability benefits from another group, franchise or similar insurance policy, and it provides for reduction of its benefits by other insurance benefits, your DCI benefit would be prorated. For example, if your DCI benefit before integration was $2,000 per month, and you were also entitled to monthly benefits of $1,000 from another disability plan, your DCI benefit would then be recalculated as follows:

$$\frac{\$2,000}{\$2,000 + \$1,000} = 2/3 \times \$2,000 = \$1,340/\text{month DCI benefit}$$

If your DCI benefit before integration was $1,000 per month, and you were also entitled to $2,000 per month from another group insurance plan, your DCI benefit amount would then be recalculated as follows:

$$\frac{\$1,000}{\$1,000 + \$2,000} = 1/3 \times \$2,000 = \$667/\text{month DCI benefit}$$

Benefit Period

A benefit period begins immediately following your waiting period and can continue, depending on your age at commencement of total disability, as outlined below:

Age when Disability Begins	Maximum Benefit Period
Age 62 or under	Age 65 or the date of the 42nd Monthly Benefit is payable, if later
Age 63	The date the 36th Monthly Benefit is payable
Age 64	The date the 30th Monthly Benefit is payable
Age 65	The date the 24th Monthly Benefit is payable
Age 66	The date the 21th Monthly Benefit is payable
Age 67	The date the 18th Monthly Benefit is payable
Age 68	The date the 15th Monthly Benefit is payable
Age 69 or older	The date the 12th Monthly Benefit is payable

Plan Limitations and Exclusions

You will not receive DCI benefits for Total Disability resulting from any intentionally self-inflicted injury; any act of war, declared or undeclared, serving on full-time active duty in any armed forces; or commission of a felony (in New York, or attempted felony).

You will not receive DCI benefits for Total Disability while you are incarcerated in any penal or correctional facility, or if you are not receiving appropriate care from your physician, if you fail to cooperate with the Insurance Company in the administration of your claim, or if you refuse to participate in Rehabilitative Work or rehabilitation efforts the Insurance Company requires. There is no limitation for coverage of pre-existing conditions.

Mental Illness, Alcoholism, and Drug Abuse Limitation

Total disability arising from mental illness, alcoholism, or drug addiction or abuse will be covered under this policy for up to 24 months on an outpatient basis when you are not confined to a hospital. The plan will also pay benefits during any period of hospitalization of at least 14 consecutive days, provided hospitalization occurs before outpatient benefits are exhausted. Once the lifetime maximum of 24 months for outpatient benefits is exhausted, the plan pays no further benefits.

Convenient Quarterly Premiums

The economical group premiums for each $100 of DCI **monthly benefit** are shown below, keyed to your benefit waiting period and your age when you enter the policy. As you enter a new age bracket, your premium will change. **Please note** that you will not be required to pay premiums while you are collecting benefits from this coverage.

Quarterly Premium per $100 of Monthly Benefit*

Executives, Managers & Professionals			*All Other Salaried Employees*	*All Other Non- Salaried Employees*
*Attained Age***	*Benefit Waiting Period*		*180-day Benefit Waiting Period*	*180-day Benefit Waiting Period*
	180 Days	*90 Days*		
Under 30	$1.37	$2.34	$1.71	$2.56
30-34	1.75	2.65	2.19	3.29
35-39	2.46	3.30	3.07	4.61
40-44	4.00	5.28	5.00	7.50
45-49	7.84	9.52	9.80	14.71
50-54	9.91	13.19	12.39	18.58
55-59	13.12	16.49	16.40	24.59
60-64	13.68	19.89	17.09	25.65
65-69	12.01	22.22	15.01	22.52

* Rates for this entire policy may be changed, but no more than once per 12-month period.

** **Your quarterly premium will change as you move from each Attained Age bracket to the next, as illustrated above, and will become effective at the beginning of the quarter in which you enter the new age bracket.**

HOW TO ENROLL FOR CONVERSION COVERAGE

Complete, sign and date the enclosed application and submit, along with a $25 non-refundable administrative fee, to the Cigna Individual Conversion Unit address indicated on the application. Please note that the application includes a section that must be completed by your employer. This may have been filled out by your employer before it was given to you. If it is blank, please go ahead and submit the application without this section completed, we will obtain the required information from your employer. If you received a cover letter from a Cigna customer service center, or your former employer, please provide that letter instead.

The one-time, non-refundable **$25 administrative fee** is required with each application. Be sure to include your check or money order, payable to Cigna, for this charge when enrolling for DCI coverage. Your premium will be calculated, and an invoice for your initial coverage period will be mailed to you. The invoice also shows the regular quarterly premium you will be billed.

Payment of this invoice will constitute your acceptance of the coverage and your Certificate of Insurance will be sent to you. When you receive your Certificate you have 30 days in which to review it. Should you decide not to accept the coverage, you may return it for a full refund of the initial premium payment made.

Should you decide to accept the coverage, be sure to keep your Certificate in a safe place, along with a copy of your application and this information brochure. You will be billed on a quarterly basis. After the initial bill, you will receive your bill approximately 30 days in advance of the due date. In order to keep your coverage in force, you must pay your premium promptly.

If you have questions or require further information, please contact the Cigna Group Insurance **Individual Conversion Unit at:** 1-800-441-1832 Monday through Friday, 8:00 am to 4:00 pm (EST).

CLEAR FORM

Application for Conversion of Group Long-Term Disability Insurance

Life Insurance Company of North America *(available to residents of all states except New York)*
Cigna Life Insurance Company of New York *(available to residents of New York)*

Employee Information

Policyholder or Employer Name:				Group Policy #:	
Name (Last)	(First)	(M.I.)	Sex ☐ M ☐ F	Social Security Number	Date of Birth (Month/Day/Year)
Street Address				Telephone #	
City				State	Zip Code

- I understand that my converted benefit may not exceed 60% of my last basic monthly earnings under the group long-term disability insurance plan from which I am converting, to a maximum monthly benefit amount of $3,000. **If the benefit percentage and/or maximum monthly benefit amounts under the group insurance plan from which I am converting are less than above, I am eligible for only the lesser amounts, rather than those above.**
- Are you covered under any other group long-term disability insurance other than that listed by your employer on the Notice of Right to Convert? ☐ Yes ☐ No

  If yes, identify the insurer(s) and policy number(s) _____
- Benefit Waiting Period: If you are an Executive, Manager, or Professional, and eligible for the choice of benefit waiting period (as indicated on the Employer Notice of Right to Convert), please indicate your choice here: ☐ 180 days ☐ 90 days

I have read the above statements and agree that they are accurate and complete to the best of my knowledge and belief.
I understand that this insurance will be issued on the reliance upon such statements.

☐ Enclosed is my non-refundable $25.00 administrative fee , check or money order # _____

_____ _____
Signature of Employee Month/Day/Year

Mail your completed and signed application along with your $25.00 non-refundable check or money order (made payable to Cigna) and include the section completed by your employer. If you received a cover letter from a Cigna customer service center, or your former employer, please provide that letter instead, to:

Insurance Company
Life Insurance Company of North America
P.O. Box 786020
Philadelphia, PA 19178-6020

ALL Overnight Payments can be sent to:
Cigna Group Insurance
101 North Independence Mall East
Lockbox 786020
Philadelphia, PA 19106

If you have questions or require further information, please contact the Cigna Group Insurance Individual Conversion Unit at: **1-800-441-1832** Monday through Friday, 8:00 am to 4:00 pm (EST).

For Residents of all states but Colorado, Florida or New York – Caution: Any person who, knowingly and with intent to defraud any insurance company or other person: (1) files an application for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information concerning any material fact thereto, commits a fraudulent insurance act.

For Colorado Residents only – Caution: It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

For Florida Residents only – Caution: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

For New York Residents only – Caution: Any person who knowingly and with intent to defraud any insurance company or other person: (1) files an enrollment form for insurance or statement of claim containing any materially false information; or (2) conceals for the purpose of misleading, information concerning any fact material thereto; commits a fraudulent insurance act. This is a crime subject to a civil penalty not to exceed $5,000 and the stated value of the claim for each violation.

Cigna Admin ER (LTD)
874486 05/2018

Employer Notice of Right to Convert Group Long-Term Disability (LTD) Insurance

Life Insurance Company of North America *(available to residents of all states except New York)*
Cigna Life Insurance Company of New York *(available to residents of New York)*

This Section must be completed by Employer/Policyholder

Employer/Policyholder Name: _____ Group LTD Policy #: _____

Name of Employee: _____ Class #: _____

Date of Hire: _____ (Month/Day/Year) Last Day Worked: _____ (Month/Day/Year)

Salary as of the Employees Last Day Worked: $ _____ Effective Date of Salary: _____ (Month/Day/Year)

Date Employee first became insured under the above Group Policy: _____ (Month/Day/Year)

Date Employee's coverage terminated under the above Group Policy: _____ (Month/Day/Year)

Premium Paid through Date for LTD Benefits: _____ (Month/Day/Year)

Reason for Termination of Coverage:

☐ Termination of Employment

☐ Beginning an Uninsured Leave of Absence for Non-Disability Reasons

☐ This is a Paid Leave ☐ an Unpaid Leave

☐ Other _____

The Employee's Occupation at the time insurance terminated: _____ *Job Title*

The Employee's Job Classification at the time insurance terminated (Choose **one** of the following):

☐ Executive, Manager, or Professional ☐ Other Salaried ☐ Other Non-Salaried

Was the Employee disabled under the terms of your present Group LTD policy at the time of termination? ☐ Yes ☐ No

The Employee's last basic **monthly** earnings under your present Group LTD policy at the time of termination
$ _____

Was the Employee continuously covered under your present and/or group LTD policy for at least 12 consecutive months? ☐ Yes ☐ No

Effective date of coverage under prior group LTD policy, if applicable: _____ (Month/Day/Year)

Your current group LTD policy benefits percentage (i.e. 40%, 50%, 60%, 66 2/3%): _____ %

Your current group LTD policy maximum monthly benefit: $ _____

Verification provided by:

_____ (Employer/Policyholder Signature) _____ (Title) Date: _____ (Month/Day/Year)

E-mail Address: _____ Telephone #: _____

Important Information to Employer/Policyholder:

1. Make a copy of this form for your file. This is for your own protection to ensure proper notification has been given.
2. This form must be completed in its entirety. If any portion is incomplete or incorrect, it could result in delays or rejection of this valuable coverage for the employee and/or his/her dependents.

CLICK TO PRINT

Cigna Admin ER (LTD)
874486 05/2018