

# Term Life and Accident Insurance



*Developed for the Employees of  
University of Detroit Mercy*



# Life Insurance

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## Protecting Your Family Securing Your Future

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"As long as you've got your health . . ."

If you're physically healthy, you can work, play, take care of your family, and enjoy life. The same holds true of your fiscal health. For long-term financial well-being, you need to understand where you are, be aware of where you want to go, and have a plan to get you there.

But, if something were to happen to you, all your hard work — and everything you have — could be lost unless you've taken steps to protect yourself and your family. Having adequate insurance coverage is not only the basis for a sound financial blueprint; it also provides the protection you need to help ensure that your family, your home and your finances will be protected.

### Who Needs Life Insurance?

You do. Single or married. Buying your first home or preparing for retirement. Raising children or sending them off to college. No matter where you are in life, insurance should be part of your financial plan.

By purchasing this insurance product through your employer, you benefit from:

- Affordable group rates
- Convenient payroll deduction
- Access to knowledgeable service representatives.

### Who Is Eligible For Coverage?

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**You** — If you are an active, full-time employee regularly working a minimum of 25 hours per week for your employer you will be eligible to elect insurance for you and your dependents on the first of the month following the date of hire.

**Your Spouse** — Up to age 70 is eligible provided that you apply for and are approved for coverage for yourself.

**Your Unmarried, Dependent Children** — At least 14 days old and under age 19 (or under age 25 if they are full-time students), as long as you apply for and are approved for coverage for yourself. One low premium will insure all your eligible children, regardless of the number of children you have.

No one may be covered more than once under this plan. If covered as an employee, you can not also be covered as a dependent.

## How Much Coverage Can You Buy?

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**You** — You can select life insurance coverage in units of \$10,000. The maximum for any employee is the lesser of 5 times your annual salary or \$500,000. The guaranteed coverage amount for you is \$100,000.

**Your Spouse** — You may select coverage for your spouse in units of \$5,000 to a maximum of \$250,000, not to exceed 50% of your benefit amount. The cost of coverage will be based on your age. The guaranteed coverage amount for your spouse is \$30,000.

**Your Unmarried, Dependent Children** — You may select coverage for your unmarried, dependent children in a flat amount of \$10,000. The maximum benefit for children under six months is \$250. The guaranteed coverage amount for your child(ren) is \$10,000.

## Guaranteed Coverage

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If you are a new hire and you apply within 31 days after you are eligible to elect coverage for you and your dependents, you are entitled to choose any of the offered amounts of coverage up to the guaranteed coverage amount, as shown on your application, without having to provide evidence of good health.

If you apply for an amount of coverage for yourself or your spouse greater than the guaranteed coverage amount, coverage in excess of the guaranteed coverage amount will not be issued until the insurance company approves acceptable evidence of good health. Evidence of good health may include a paramedical exam or physician's statement.

If you apply for coverage for yourself or your spouse more than 31 days from the date you become eligible to elect coverage under this plan, the guaranteed coverage amounts will not apply. Coverage will not be issued until the insurance company approves acceptable evidence of good health. Evidence of good health may include a paramedical exam or physician's statement.

## How Much Your Coverage Will Cost

The monthly cost of insurance for you and your spouse will depend on your age and the amount of insurance you wish to purchase. As shown in the following chart, the cost of insurance increases with the age of the insured. Note that at age 65 your benefits are reduced. Spouse coverage ceases at age 70.

To calculate your monthly cost:

1. Find your age group in the following table;
2. Multiply the rate by the number of coverage units you want;
3. Calculate the cost of coverage for your spouse, using your age, then calculate the cost of coverage for your children;
4. Add the premiums for you, your spouse and your children to get your total monthly cost.

### Example::

Employee (age 28)	25 units (\$250,000)	x	\$1.00 per unit	=	\$25.00
Spouse	20 units (\$100,000)	x	\$.50 per unit	=	\$10.00
Children	\$10,000 (\$10,000)	@	\$2.00	=	\$ 2.00
<b>Total Monthly Cost</b>					<b>\$37.00</b>

To calculate your cost, complete this chart:

Employee	___ units	x	\$___ per unit	=	\$___
Spouse	___ units	x	\$___ per unit	=	\$___
Children	\$10,000	@	\$___2.00___	=	\$___
<b>Total Monthly Cost</b>					<b>\$___</b>

Employee Age	Employee Monthly Cost per \$10,000 Unit	Spouse Monthly Cost per \$5,000 Unit
Under 30	\$ 1.00	\$ 0.50
30 to 34	1.20	0.60
35 to 39	1.50	0.75
40 to 44	2.10	1.05
45 to 49	3.20	1.60
50 to 54	5.10	2.55
55 to 59	8.10	4.05
60 to 64	10.00	5.00
65 to 69	17.00	8.50
70 & over	17.00	—

The monthly cost for children is \$2.00 for \$10,000 of coverage. One premium will insure all your eligible children, regardless of the number of children you have.

Maximum coverage: Employee— the lesser of 5 times your annual salary or \$500,000; Spouse—\$250,000, not to exceed 50% of your benefit amount; Children—\$10,000 (under 6 months \$250).

*Costs are subject to change.*

### When You Reach Age 65

By the time you reach age 65, chances are that your children will be grown and your mortgage paid. At age 65, providing you are still employed, your coverage will decrease to 65% of the benefit amount. It will decrease to 45% at age 70, 30% at age 75 and 20% at age 80. Premiums and coverage for your spouse will end at age 70; at that time your spouse may choose to convert this coverage to a permanent life insurance policy.

## Other Benefit Features

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### ***Accelerated Death Benefit — Terminal Illness***

If you or your spouse is diagnosed by two unaffiliated physicians as terminally ill with a life expectancy of 12 months or less, the accelerated payment benefit for terminal illness provides for up to 75% of the life insurance coverage amount in force or \$250,000, whichever is less, to be paid to the insured. This benefit is payable only once in the insured's lifetime, and will reduce the life insurance death benefit.

The terminal illness benefit may be taxable. As with all tax matters, an insured should consult with a personal tax advisor to assess the impact of this benefit.

### ***Increasing Your Coverage***

You may increase your coverage at any time. We do require evidence of good health for all new coverage elections.

### ***Continuation for Disability for Employees Age 60 or over***

If your active service ends due to disability, this plan provides a continuation of coverage feature. If you are disabled at age 60 or over, your coverage will continue while you are disabled. This benefit will remain in force until the earliest of the following dates: the date you are no longer disabled, the date the policy terminates, the date you are Disabled for 9 consecutive months, or the day after the last period for which premiums are paid.

You are considered disabled if, because of injury or sickness, you are unable to perform all the material duties of your Regular Occupation, or you are receiving disability benefits under your Employer's plan. "Regular Occupation" means your occupation, as routinely performed in the general labor market, at the time your disability begins.

### ***Extended Death Benefit with Waiver of Premium***

#### ***Extended Death Benefit***

*If you become Disabled* — The extended death benefit ensures that if you become disabled prior to age 60, and die before you qualify for Waiver of Premium, we will pay the life insurance benefit if you remain disabled during that period. If you qualify for this benefit and have insured your spouse or children, their coverage is also extended.

You are considered disabled if, because of injury or sickness, you are unable to perform all the material duties of your Regular Occupation, or you are receiving disability benefits under your Employer's plan. "Regular Occupation" means your occupation, as routinely performed in the general labor market, at the time your disability begins.

### ***Extended Death Benefit with Waiver of Premium (con't.)***

#### ***Waiver of Premium***

*If you become totally disabled* — To make sure you can keep the life insurance protection you need during a difficult period of your life, this plan provides a *waiver of premium* feature. If you are totally disabled prior to age 60 and can't work for at least 6 months, you won't need to pay premiums for your coverage while you are disabled, provided the insurance company approves you for this benefit. You are considered totally disabled when you are completely unable to engage in any occupation for wage or profit because of injury or sickness. This benefit will remain in force until age 65, subject to proof of continuing disability each year. If you qualify for this benefit and have insured your spouse or children, the premium for their coverage is also waived.

## What Is Not Covered

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The plan will not pay benefits if loss of life is the result of suicide that occurs within the first two years of coverage.

## When Your Coverage Begins and Ends

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The date your coverage begins is called its "effective date." Your employer will let you know the effective date of your coverage. If you are not actively at work on the effective date of coverage, your coverage will not begin until you return to work.

For coverage for your spouse and/or children to be effective, they must not be hospitalized or confined at home under the care of a doctor.

Your coverage cannot be terminated as long as you remain eligible, the premium is paid and the group policy remains in force.

For your spouse and children, coverage ends when your coverage ends, when their premiums are not paid or when they are no longer eligible.

### ***If You Leave Your Employer***

To help you keep your life insurance coverage during the years when your family needs financial protection, the plan allows you to continue all of your voluntary coverage if you leave your employer. Premiums may change at this time. Just make arrangements to pay your premiums directly to the insurance company after you leave your current employer. Coverage may be continued for you and your spouse until age 70. Coverage may also be continued for your children. As long as the group policy remains in force, the option of continuing this coverage is available.

## **When Your Coverage Begins and Ends (con't.)**

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### **Converting Your Coverage to Permanent Life Insurance**

If group life insurance coverage is reduced or ends for any reason except nonpayment of premiums, you can convert to an individual policy. No medical certification is needed. To convert coverage, you must apply for the conversion policy and pay the first premium payment within 31 days after your group coverage ends. Family members may convert their coverage as well. Converted policies are subject to certain benefits and limits as outlined in the conversion brochure which may be requested as needed. Premiums may change at this time.

### **Apply Today**

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In order to apply for coverage, you must complete an application form. Be sure to answer all questions accurately, and indicate how much coverage you wish to have.

### **Payroll Deduction**

You pay your premiums through payroll deduction. The total depends on how much coverage you select, your age, and the amount of coverage you buy for your spouse and children.

### **Designating Your Beneficiary**

Your term life benefit will automatically be paid to the first beneficiary listed below who is living at the time of your death if you do not designate a specific beneficiary:

- 1) Your Spouse    2) Your Child(ren)    3) Your Parents
- 4) Your Siblings    5) Your Estate

If you wish to designate different beneficiaries, or to indicate percentages, you may do so on your application. If the listed beneficiary is a trustee or a trust, you will need to indicate the trustee's name, the name of the trust and the date of the trust agreement. The trust document must be presented in order for the claim to be processed.

### **How Your Claims Are Paid**

Your employer has all the forms you or your beneficiary will need and can provide assistance in completing them.

## **Questions?**

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If you want more information about this group insurance plan, call 1-800-732-1603 toll-free anytime from Monday through Friday, 8 a.m. to 6 p.m. Eastern time. You'll speak to a courteous, knowledgeable customer service representative who can answer your questions and explain features of this plan.

*This portion of the plan provides life insurance only.*

# Accident Insurance

## Who Needs Personal Accident Insurance?

You do. Accident insurance can help you pay expenses if you or your spouse is seriously injured or killed in a covered accident. This insurance can help ensure that tragedy doesn't take both an emotional and a financial toll on your family.

By purchasing this insurance through your employer, you benefit from:

- Affordable group rates
- Convenient payroll deduction

## Who Is Eligible For Coverage?

*You* – You are eligible for coverage if you are an active full-time employee of the sponsoring employer, regularly working a minimum of 25 hours per week. You will be eligible to elect insurance for yourself and your dependents on the first of the month following your date of hire.

*Your Spouse* – You may elect coverage for a lawful spouse under age 70.

*Your Children* – You may elect coverage for your unmarried dependent children who are under age 19 (or under age 25 if they are full-time students. Children must be dependent upon you for support and maintenance.

No one may be covered more than once under this plan. If covered as an employee, you cannot also be covered as a dependent.

## How Much Coverage Can You Buy?

*You* – You may select from \$10,000 to \$500,000 of coverage in units of \$10,000 at an affordable price.

*Your Spouse* – You may select from \$5,000 to \$250,000 of coverage in units of \$5,000, for your spouse. Your spouse's benefit cannot exceed \$250,000.

*Your Children* – You may select child coverage of \$10,000. The premium is the same regardless of the number of children covered.

You may need to request changes to your existing coverage if, in the future, you no longer have dependents who qualify for coverage. We will refund premium if you do not notify us of this and it is determined at the time of a claim that premium has been overpaid.

## Your Monthly Cost

Personal Accident Insurance lets you select the amount of coverage you need. Your cost will depend on the amount of coverage you select for yourself and for your family. Simply follow the steps below to determine your total monthly cost.

<b>1. Your Coverage</b>	
Accident coverage is available in units of \$10,000, from \$10,000 to \$500,000.	
\$ _____ <i>Your Benefit Amount</i>	
÷ 10,000	
Units of Coverage = _____	
Cost per Unit x \$ .35	
<b>COST FOR YOU</b>	<b>\$ _____</b>
<b>2. Your Spouse's Coverage</b>	
Accident coverage is available in units of \$5,000, to a maximum of \$250,000.	
\$ _____ <i>Spouse's Benefit Amount</i>	
÷ 5,000	
Units of Coverage = _____	
Cost per Unit x \$ .175	
<b>COST FOR YOUR SPOUSE</b>	<b>\$ _____ (b)</b>
<b>3. Your Children's Coverage</b>	
Accident coverage is available in a flat amount of \$10,000.	
\$10,000 <i>Children's Benefit Amount</i>	
Cost for \$10,000 x \$ .35	
<b>COST FOR YOUR CHILDREN</b>	<b>\$ _____ (c)</b>
<b>4. Total Monthly Cost</b>	
Add the cost for you, your spouse and child(ren).	
<b>TOTAL MONTHLY COST (a+b+c)</b>	<b>\$ _____</b>

*Costs are subject to change.*

### Benefit Reductions

When the covered person reaches age 65, his or her benefits will be reduced to 65% of the benefit amount selected; at age 70, 45%; at age 75, 30% and at age 80, 20%. Coverage for your spouse ends when he or she reaches age 70. These reductions also apply if you elect coverage after age 64.

## A Valuable Combination of Benefits

Personal Accident Insurance helps protect you against losses due to accidents. A covered accident is a sudden, unforeseeable, external event, resulting directly and independently of all other causes, in a covered injury or covered loss that occurs while coverage is in force. To help survivors of severe accidents adjust to new living circumstances, we will pay benefits according to the chart below.

If, within 365 days of a covered accident, bodily injuries result in:	We will pay this % of the benefit amount:
Loss of life, or Total paralysis of upper and lower limbs, or Loss of any combination of two: hands, feet or eyesight, or Loss of speech and hearing in both ears	100%
Total paralysis of both lower or upper limbs	75%
Total paralysis of upper and lower limbs on one side of the body, or Loss of hand, foot or sight in one eye, or Loss of speech, or Loss of hearing in both ears	50%
Total paralysis of one upper or lower limb, or Loss of all four fingers of the same hand, or Loss of thumb and index finger of the same hand	25%
Loss of all toes of the same foot	20%
Coma	1%

*If the same accident causes more than one of these losses, we will pay only one amount, but it will be the largest amount that applies.*

**Loss of a hand or foot** means complete severance through or above the wrist or ankle joint. **Loss of sight** means the total, permanent loss of all vision in the eye. **Loss of speech** means total, permanent and irrecoverable loss of audible communication. **Loss of hearing** means total and permanent loss of the ability to hear any sound in both ears. Loss of sight, speech and hearing must be irrecoverable by natural, surgical or artificial means. **Loss of a thumb and index finger or four fingers**, means complete severance through or above the metacarpophalangeal joints (the joints between the fingers and the hand). **Paralysis** means total loss of use, without severance, of a limb. This loss must be determined by a doctor to be complete and not reversible. **Loss of Toes** means complete severance through the metatarsalphalangeal joint. **Severance** means complete and permanent separation and dismemberment of the limb from the body.

## Additional Benefits

### For Comas

If you, your spouse, or your children have been in a coma for one full month as a result of a covered accident, we will pay a coma benefit, as shown in [A Valuable Combination of Benefits](#). We will make 11 monthly payments, provided the person remains in a coma during this period. If the person recovers, the payments will stop.

If the insured person dies while the monthly coma benefit payments are being made, or if the insured person remains in a coma after the 11 monthly payments have been made, he or she will be entitled to a lump sum payment equal to the full benefit amount.

*Coma means a profound state of unconsciousness which resulted directly and independently from all other causes from a covered accident, and from which the insured is not likely to be aroused through powerful stimulation. This condition must be diagnosed and treated regularly by a physician. Coma does not mean any state of unconsciousness intentionally induced during the course of treatment of a covered injury unless the state of unconsciousness results from the administration of anesthesia in preparation for surgical treatment of that covered accident.*

### For Exposure and Disappearance

Benefits are payable if you or an insured family member suffer a covered loss due to unavoidable exposure to the elements as a result of a covered accident.

If your or an insured family member's body is not found within one year of the disappearance, wrecking or sinking of the conveyance in which you or an insured family member were riding, on a trip otherwise covered, it will be presumed that you sustained loss of life as a result of a covered accident.

### For Traveling on Public Transportation

If you or an insured family member are accidentally killed or dismembered while a fare-paying passenger in or being struck by or while getting on or off of public transportation, such as a bus or plane, licensed for hire to carry fare-paying passengers or a transport aircraft operated by the U.S. Air Mobility Command or a similar air transport service of another country, we will increase the benefit amount by 100%, to a maximum of \$500,000.

## **Additional Benefits (con't.)**

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### ***For Wearing a Seatbelt and Protection by an Airbag***

This benefit is payable if an insured person dies as a direct result of injuries sustained in a covered accident while driving or riding in an automobile\*, while wearing a properly fastened seatbelt (or if the insured is a child, a child restraint as defined by law). That person's death benefit will be increased by 10% but not more than \$10,000. If the insured person was also positioned in a seat protected by a properly-functioning and properly deployed Supplemental Restraint System \*\* (Airbag), we will increase that person's death benefit by an additional 10% but not by more than \$10,000.

Verification of the actual use of the seatbelt and that the supplemental restraint system inflated properly on impact at the time of the accident, must be part of an official report of the accident, or be certified, in writing, by the investigating officer(s) and submitted with the claim.

If it is unclear whether the insured had been wearing a seatbelt or that the person was positioned in a seat protected by a properly functioning and properly deployed airbag, the plan will pay a benefit of \$1,000.

*\*Automobile means a self-propelled, private passenger motor vehicle with four or more wheels which is of a type both designed and required to be licensed for use on the highways of any state or country. Automobile includes but is not limited to a sedan, station wagon, sport utility vehicle or a motor vehicle of the pickup, van, motor home or camper type. Automobile does not include a mobile home or any motor vehicle which is used in mass or public transit.*

*\*\*Supplemental Restraint System means an airbag that inflates upon impact for added protection to the head and chest areas.*

## **What Is Not Covered**

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Plan benefits are not payable if an injury or a loss results, directly or indirectly, from or is caused by, self-inflicted injuries or suicide while sane or insane; commission or attempt to commit a felony or an assault; any act of war, declared or undeclared; any active participation in a riot, insurrection or terrorist act; bungee jumping; parachuting; skydiving; parasailing; hang-gliding; sickness, disease, physical or mental impairment, or surgical or medical treatment thereof, or bacterial or viral infection, regardless of how contracted. (This does not include bacterial infection that is the natural and foreseeable result of an accidental external cut or wound or accidental food poisoning.)

Benefits are also not payable if the loss occurs while the covered person is voluntarily using any drug, narcotic, poison, gas or fumes except one prescribed by a licensed physician and taken as prescribed; while operating any type of vehicle while under the influence of alcohol (intoxicated is defined by the law of the state in which the covered accident occurred) or any drug, narcotic or other intoxicant including any prescribed drug for which the covered person has been provided a written warning against operating a vehicle while taking it; while the covered person is engaged in the activities of active duty service in the military, navy or air force of any country or international organization (this does not include Reserve or National Guard training, unless it extends beyond 31 days); traveling in an aircraft that is owned, leased or controlled by the sponsoring organization or any of its subsidiaries or affiliates (an aircraft will be deemed to be "controlled" by the sponsoring organization if the aircraft may be used as the sponsoring organization wishes for more than 10 straight days, or more than 15 days in any year); flying in, boarding or alighting from an aircraft or any craft designed to fly above the earth's surface, except as a passenger on a regularly scheduled commercial airline; that is: an ultra-light or glider, designed to be used in outerspace; being used by any military authority, except the Air Mobility Command or its foreign equivalent; being flown by the covered person or in which the covered person is a member of the crew; being used for parachuting, hang-gliding, crop dusting, spraying or seeding, giving and receiving flying instruction, fire fighting, sky writing, skydiving, pipeline or power line inspection, aerial photography or exploration, racing or endurance tests, stunts or acrobatic flying, or any operation that requires a special permit from the FAA, even if it is granted (this does not apply if the permit is required only because of the territory flown over or landed on).

## When Your Coverage Begins and Ends

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Current employees can sign up during this enrollment period. New employees have 31 days from the date they become eligible to enroll. Coverage becomes effective on the later of the program's effective date, the date you become eligible, the date we receive your completed enrollment form, or the date you authorize any necessary payroll deductions. Provided the application has been received and the appropriate premium paid, dependent coverage will start when your coverage begins. If you are not actively at work, the effective date of your insurance will be deferred until you are actively at work.

For insurance for your spouse and/or children to become effective, he/she must not be an inpatient in a hospital, receiving chemotherapy or radiation therapy on an outpatient basis, confined at home and under the care of a physician for sickness or injury or totally disabled.

Your coverage will continue as long as you remain an eligible employee, pay your premium when due and we agree with your employer to continue this group policy. For your spouse and dependent children, coverage ends when your coverage terminates, when their premiums are not paid or when he or she is no longer eligible, whichever occurs first.

***Totally disabled** means, if the covered person is employed, he/she is unable to perform any work for which he/she is (or may reasonably become) qualified by education, training or experience. If the covered person is not employed, totally disabled means he/she is unable to perform all the activities of daily living without human supervision or assistance.*

### Changing from the Group Plan to Individual Coverage

If, before you reach age 70, this group coverage is reduced or ends for any reason except non-payment of premium or age, you can convert to an individual policy. No medical certification is needed. To continue coverage, you must apply for the conversion policy and pay the first premium in effect for your age and occupation within 31 days after your group coverage ends. Family members may convert their coverage as long as they have not reached the maximum age limitation. Converted policies are subject to certain benefits and limits as outlined in your certificate, should you become insured under the plan.

## Signing Up Is Easy

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No medical examination is required to apply!

Just follow these steps.

1. Choose the benefit amount and coverage options that are right for you.
2. Fill out the accident section of your insurance application and return it to your Human Resource Department.

### Don't forget to . . .

Use the full name of your beneficiary. For example, use "Mary Jones Smith" not "Mrs. John A. Smith."

If you have any questions about the plan, please contact your Human Resource Department.

*This portion of the plan provides ACCIDENT insurance only. It pays benefits for bodily injury. It does not provide coverage for sickness.*



*This information is a brief description of the important features of the plan. It is not a contract. Terms and conditions of life insurance coverage are set forth in Group Policy No. FLX-962922, on Policy Form TL-004700, issued in Delaware to the Trustee of the Group Insurance Trust for Employers in the Services Industry. Terms and conditions of accident insurance coverage are set forth in Group Policy No. OK-964584 on Policy Form No. GA-00-1000.00, issued in Delaware to the Trustee of the Group Insurance Trust for Employers in the Services Industry. The group policy is subject to the laws of the jurisdiction in which it is issued. The availability of this offer may change. Please keep this material as a reference.*

*Coverage is underwritten by  
Life Insurance Company of North America  
1601 Chestnut Street  
Philadelphia, PA 19192*



**CIGNA Group Insurance**  
Life • Accident • Disability

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