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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Indiana University’s Life Insurance Plan consists of group term life insurance. Term life insurance pays a benefit when a death occurs while the eligible employee or eligible retiree is covered; it does not retain cash value after coverage ends. It is underwritten by Standard Insurance Company.

Basic Life and Accidental Death and Dismemberment (AD&D) coverage is provided by the University to all eligible employees at no cost to the employees. Eligible employees may also choose Supplemental Life Insurance. This coverage is optional and purchased by the employee through payroll contributions.

The following categories of individuals associated with Indiana University are eligible for group Life Insurance:

- All full-time appointed employees
- Employees with retiree status based on specified age and years of service criteria

Eligible employees are enrolled in Basic Life and AD&D Insurance effective the date they become eligible, usually on their date of hire.

Eligible employees may enroll in Supplemental Life Insurance by giving written election to the University within 60 days of hire.

After 60 days of hire, employees may still enroll in Supplemental Life Insurance, but must complete a Medical History Statement and enrollment is subject to approval by The Standard.

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Eligibility</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indiana University’s Life Insurance Plan</td>
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<td>Eligible employees are enrolled in Basic Life and AD&amp;D Insurance effective the date they become eligible, usually on their date of hire.</td>
</tr>
<tr>
<td></td>
<td>• All full-time appointed employees</td>
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</tr>
<tr>
<td></td>
<td>• Employees with retiree status based on specified age and years of service criteria</td>
<td>After 60 days of hire, employees may still enroll in Supplemental Life Insurance, but must complete a Medical History Statement and enrollment is subject to approval by The Standard.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Additional Benefits</th>
<th>Tax Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time appointed employees receive Basic Life Insurance in the amount of two times the employee’s budgeted base annual salary to a maximum of $50,000 up to age 70; the amount reduces at age 70. AD&amp;D coverage for the employee is the same amount as the Basic Life Insurance. An eligible spouse may be insured for $3,000. An eligible child may be insured for $1,000. An eligible retiree may be insured for $6,000. Supplemental Life Insurance is optional and covers only the employee. It is available in benefit amounts of one, two, three or four times the employee’s budgeted base annual salary; the amount reduces at age 70.</td>
<td>Basic Life coverage includes a permanent and total Disability Benefit. Both Basic Life and Supplemental Life Insurance have: • An accelerated benefit when the employee has a terminal illness. • A conversion privilege that allows eligible employees to convert terminated coverage to certain types of individual life insurance policies when coverage ends or reduces. • Portability • Beneficiary Financial Counseling • Waiver of Premium</td>
<td>Permanent and Total Disability Benefits received under the group plan are currently considered taxable by the IRS and will be reported accordingly. The accelerated benefit may be taxable and affect eligibility for other government benefits or entitlements. Employees should consult their personal tax or legal advisors before applying for benefits.</td>
</tr>
</tbody>
</table>

| beneficiaries | In the event of the employee’s death, benefits are payable to the employee’s beneficiary. For dependent, spouse or child claims, the employee is the beneficiary. |

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:

<table>
<thead>
<tr>
<th>Age</th>
<th>Years of Service</th>
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<tbody>
<tr>
<td>55</td>
<td>30</td>
</tr>
<tr>
<td>56</td>
<td>28</td>
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<td>26</td>
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<td>58</td>
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<td>61</td>
<td>18</td>
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<tr>
<td>62</td>
<td>16</td>
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<tr>
<td>63</td>
<td>14</td>
</tr>
<tr>
<td>64</td>
<td>12</td>
</tr>
<tr>
<td>65 and over</td>
<td>10</td>
</tr>
</tbody>
</table>

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 70, employees are covered for two times their budgeted base annual salary. If 70 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 to apply 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 the total disability. If the employee receives the Permanent and Total Disability Benefit (PTD) then the Basic Life Benefit will be reduced by $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:

<table>
<thead>
<tr>
<th>Loss</th>
<th>Percentage Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hand severed at or above the wrist</td>
<td>50%</td>
</tr>
<tr>
<td>Foot severed at or above the ankle</td>
<td>50%</td>
</tr>
<tr>
<td>Permanent loss of sight in one eye</td>
<td>50%</td>
</tr>
<tr>
<td>More than one of the losses listed above</td>
<td>100%</td>
</tr>
</tbody>
</table>

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.
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:

<table>
<thead>
<tr>
<th>Amount of Insurance</th>
<th>Guarantee Issue</th>
<th>Maximum Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td>One times salary</td>
<td>$50,000</td>
</tr>
<tr>
<td>Option 2</td>
<td>Two times salary</td>
<td>$100,000</td>
</tr>
<tr>
<td>Option 3</td>
<td>Three times salary</td>
<td>$150,000</td>
</tr>
<tr>
<td>Option 4</td>
<td>Four times salary</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

The amount of Supplemental Life Insurance equals a multiple of the employee’s budgeted base annual salary, reduced to the next multiple of $1,000.

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.
REDUCTIONS IN INSURANCE
Under this plan, reductions in insurance amounts will be made when an employee’s attained age changes. At age 70 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 70 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 70 multiplied by 65 percent.

EXCLUSIONS – SUPPLEMENTAL LIFE ONLY
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
PORTABILITY OF LIFE INSURANCE
If your employment ends or you retire you may apply for Portable Life Insurance coverage for you and your covered dependents. You may port up to $300,000 of life insurance coverage. You must meet the following requirements:

• Under age 65
• Not disabled
• Insured for 12 consecutive months
• Apply within 31 days after life coverage ends
• Not in the armed forces

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

BENEFICIARY FINANCIAL COUNSELING
Beneficiary Financial Counseling is designed to help beneficiaries of accelerated death and life insurance benefits understand their current financial situation and provide guidance on how they can reach their financial goals. This service is accessible at any time within 12 months following the payment of benefits. Counseling services include a StanCorp Investment Advisers' certified financial planner to create a personal financial plan, contact with StanCorp Investment Advisers for general financial questions and a guide with information helpful to those who plan to use investment advisors as well as those choosing to “go it alone”. The guide also includes information on locating and selecting a financial advisor, tips on researching and purchasing investments and structuring and maintaining an investment portfolio.