

Group Term Life and AD&D Insurance

Producer guide for employer groups of 2-9 employees. Effective January 1, 2004



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Group Term Life and Accidental Death and Dismemberment Insurance

CareAmerica Life Insurance Company offers a flexible approach to group benefits to meet the life insurance needs of small businesses across California.

Coverage available

- Group Term Life and AD&D
- Dependent Life

Key advantages

For your clients, we can:

- Tailor a program that's right for their business
- Offer security for their employees and their families with Dependent Life options
- Waive premiums during an employee's disability

Use this guide to get the details for underwriting and benefit options for groups with two to nine eligible employees.

Basic Products

Group Term Life

- Provides death benefits to beneficiaries designated by the insured.
- Flat amount, graded and multiple of salary benefits available.
- Age banded rates
- Coverage cannot exceed five times an employee's salary.
- Original benefit amount reduced by 35 percent at age 65 and by 50 percent of original amount at age 70.

Benefit amount	No evidence of insurability required	Evidence of insurability required
Minimum	\$15,000	\$25,000
Maximum	\$25,000	\$100,000

Accidental Death and Dismemberment (AD&D)

- Provides full benefit for accidental loss of life. Full benefit equals the life insurance coverage amount. Partial benefits are paid for accidental loss of limbs above wrist or ankle (50% of benefit); loss of sight in one eye (50% of benefit); loss of thumb and index finger of one hand (25% of benefit); loss of all four fingers of one hand (25% of benefit), and loss of all toes of one foot (12.5% of benefit).
- Benefits for all losses resulting from the same accident may not exceed the full benefit.

Dependent Life

- Group term life must be purchased before dependent life is available.
- Provides life insurance coverage for an employee’s spouse and/or dependent children (domestic partner and his/her children upon request).
- \$1,000 to \$5,000 benefits offered per dependent in increments of \$1,000.
- Coverage amounts for spouse and children must be equal and cannot exceed 50% of the employee’s benefit.
- Subject to certain coverage limitations for newborns and infants.

This is only a summary of benefits, it is not a policy. The actual complete terms and conditions are set forth in the policy.

Life Features

Domestic Partner Coverage

- Available to groups offering dependent life.
- Provides coverage for dependents classified as a domestic partner.
- Makes a spousal benefit available to domestic partner and child benefit available to the children of domestic partner. Affidavits are required.

Waiver of Premium Provision

- Included for groups offering group term life or dependent life.
- Allows for continuation of life insurance coverage without payment of premium if insured employee is totally disabled prior to age 60.
- The amount of coverage will be the coverage in effect at the time disability commences. The life insurance continued will be subject to the reductions and terminations shown in the policy.

Ineligible Groups

Employers in the following industries or conditions present special risks and such underwriting problems as catastrophic hazards, high employee turnover, and pricing problems unacceptable for group life insurance:

1. Groups which do not conform to the statute of the jurisdiction in which the Group Policy would be issued
2. Fraternal organizations (i.e. clubs, lodges)
3. Groups with no employer-employee relationship
4. Groups that cannot or will not assume the necessary administrative functions required of a Group Policyholder
5. Corporations in bankruptcy
6. Air transport
7. Bars, cocktail lounges, dance halls or taverns
8. Chemical processing
9. Commercial agriculture, hunting and fishing
10. Commercial diving and salvage
11. Commercial sports and gaming
12. Counseling and rehabilitation centers
13. Drilling and explosives
14. Dredges, barges and tugs
15. Logging operations
16. Marinas, ski resorts and other similar seasonal businesses
17. Mining and quarries
18. Oil and gas (exploration, production, transport and refining)
19. Petroleum refining
20. Power plants
21. Private households
22. Roofers
23. Taxi companies
24. Window washers

Coverage Types

Standard Group Life Coverage Types	
Our Term Life and AD&D plan designs fall into three categories:	
Flat Amount	All employees receive the same benefit amount, e.g., a flat \$25,000.
Multiples of Salary	All employees receive the same multiple of their salary benefit, up to a maximum amount, e.g. two times annual earnings, to a maximum of \$100,000.
Graded Schedule	All employees are divided into well-defined classes and are offered different amounts of insurance based on each class.
<i>Please Note: There can be no class with more than 2.5 times the benefit of the next lower class.</i>	