

NAPEBT: Flagstaff Housing Authority

Group Term Life Insurance

One-time Opportunity

Beginning May 19, 2008, you will be able to enroll for additional life insurance underwritten by Minnesota Life and take advantage of the new lower rates. All active employees may elect or increase employee voluntary coverage up to \$50,000 without providing evidence of insurability. To take advantage of this one-time guaranteed issue offer, you must apply May 19-May 30, 2008 during open enrollment offered by NAPEBT for Flagstaff Housing Authority (FHA). Coverage is effective July 1, 2008.

Plan at a glance

Coverage Type	Coverage Options	Additional Information
Basic Term Life and Accidental Death and Dismemberment (AD&D)	<ul style="list-style-type: none"> One times your annual salary, rounded to the next higher \$1,000. AD&D matches the Basic Term Life amount. 	<ul style="list-style-type: none"> Coverage is paid by FHA. FHA employees are provided up to a maximum of \$150,000. Coverage is guaranteed — no health questions or medical exams required. Coverage reduces to 65% at 65, 45% at 70, 30% at 75, 20% at 80, 15% at 85 and 10% at 90. Coverage terminates at retirement.
Basic Term Life Dependent Package	<ul style="list-style-type: none"> Spouse coverage \$1,000 / Child coverage \$1,000. 	<ul style="list-style-type: none"> Coverage is paid by FHA. Children age 14 days to 6 months are provided \$100 of coverage.
Voluntary Term Life	<ul style="list-style-type: none"> Elect additional coverage in \$10,000 increments up to a maximum of \$500,000 (not to exceed five times salary). 	<ul style="list-style-type: none"> Coverage is paid by employee. Coverage reduces to 65% at 65, 45% at 70, 30% at 75, 20% at 80, 15% at 85 and 10% at 90. At future annual enrollments, employees who are enrolled in Voluntary Term Life will have the opportunity to increase their existing coverage by \$10,000 each year — no health questions or medical exam required (<i>up to the guaranteed issue limit of \$100,000</i>). All current voluntary coverage is guaranteed. Coverage terminates at retirement.
Voluntary Dependent Term Life	<p>Spouse Coverage</p> <ul style="list-style-type: none"> Elect coverage in \$5,000 increments to a maximum of \$100,000, or 50% of the employee's voluntary amount (whichever is less). <p>Child Coverage</p> <ul style="list-style-type: none"> Elect coverage from \$2,000 to \$10,000 in \$1,000 increments; or 50% of employee's voluntary amount, whichever is less. 	<ul style="list-style-type: none"> You must enroll in the voluntary life plan to elect dependent coverage. Coverage is paid by employee. <p>Spouse Coverage</p> <ul style="list-style-type: none"> A spouse is not eligible if they are also eligible for employee coverage. Spouse coverage terminates at age 70. <p>Child Coverage</p> <ul style="list-style-type: none"> Children may only be covered by one parent. Eligible children are 14 days to 19 years, or 23 if a full-time student at an accredited postsecondary school.

Plan features

- Portability** — If you retire, terminate employment, are on a non-medical leave, or are no longer eligible for coverage, and are under the age of 70, you may continue your in-force Voluntary Term insurance. Spouse and Child coverage may also be continued if you continue your coverage. Premiums are paid directly to Minnesota Life to continue coverage. Premiums may be higher than those paid by active employees.

- Waiver of Premium** — If you become disabled prior to age 60 you can apply for a waiver of premium for term insurance.
- Accelerated Death Benefit** — Up to 100% of your face amount for term insurance can be paid in lieu of the death benefit if you become terminally ill with a life expectancy of 12 months or less.
- Conversion** — Allows you to convert terminated term life coverage to an individual life insurance policy.

Additional services

- **Will Preparation** — Employees may take advantage of will preparation services through Ceridian LifeWorks. The program gives employees and their dependents telephone access to a national network of 22,000 attorneys for consultation on simple wills and testamentary trusts and simple power-of-attorney and health directives. Document review and drafting also is available.

For more information on this program, please call Ceridian LifeWorks at 1-877-849-6034 or visit www.lifeworks.com:

Username: will Password: preparation

- **Health and Wellness Program** — Employees may take advantage of tools to make healthier lifestyle choices through a program from Ceridian LifeWorks. It includes an online Life Health Assessment, focusing on behaviors you have the ability to change; personalized health coaching for preventative health and alternative care by specifically trained health educators; referrals to local health providers and programs and access to the “best-in-class” online and print educational resources.

For more information on this program, please call Ceridian LifeWorks at 1-888-242-8419 or visit www.lifeworks.com:

Username: health Password: coaching

- **Beneficiary Financial Counseling** — Beneficiaries who receive at least \$25,000 in policy benefits may choose to use independent beneficiary counseling services from PricewaterhouseCoopers LLP (PwC), one of the world’s leading professional services firms. The counseling services are designed to help families make sound financial decisions at a difficult time. PwC advisors do not sell insurance or investment products, and no information will be given to PwC without your beneficiary’s written consent. There is no additional cost for this service.

Services provided by Ceridian LifeWorks, PricewaterhouseCoopers LLP and Europ Assistance USA are their sole responsibility. The services are not affiliated with Minnesota Life or its group contracts and may be discontinued at any time.

Term Life is offered under policy form series MHC-96-13180.2.

MINNESOTA LIFE

Minnesota Life Insurance Company
A Securian Company

Group Insurance
www.lifebenefits.com

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- **Travel Assistance** — Provided by Europ Assistance USA, coverage provides 24-hour emergency travel service for U.S. group life insurance plan participants and their families* when they are traveling for business or pleasure more than 100 miles from home. The service includes assistance in locating and accessing physicians, dentists, medical facilities and pharmacies, arranging and paying for medical evacuation or returning mortal remains, providing interpreters or relaying messages to friends and family and offering a wide range of travel information. There is no additional cost for this service.

For more information on this program, please call Europ Assistance USA at 1-877-708-6992 or visit www.lifebenefits.com/travelassistance.

* Family coverage does not require travel with the employee.

How much will it cost?

Voluntary Term Life

Employee

(Rate/\$10,000/pay period)

Age	Rate
Under 30	\$0.25
30 – 34	0.35
35 – 39	0.35
40 – 44	0.40
45 – 49	0.60
50 – 54	0.95
55 – 59	1.75
60 – 64	2.70
65 – 69	5.20
70 & Over	8.40

Spouse

(Rate/\$5,000/pay period)

Age	Rate
Under 30	\$0.13
30 – 34	0.18
35 – 39	0.20
40 – 44	0.20
45 – 49	0.33
50 – 54	0.48
55 – 59	0.90
60 – 64	1.38
65 – 69	2.65

Rates increase with age and are subject to change.

Rates are based on 24 pay periods in one year.

Voluntary Child Term Life

\$ 0.035 / \$1,000 / pay period (\$2,000 minimum)

Calculating your premium

To calculate your premium, follow these steps:

- 1) Elect your desired coverage amount.
- 2) Divide the coverage amount by \$10,000.
- 3) Multiply by the rate from the table above for your current age.

Example

A 45-year-old chooses \$100,000 of employee voluntary coverage. Following the steps above, the calculation would be:

- 1) \$100,000
- 2) \$100,000 divided by 10,000 = 10
- 3) 10 x .60 = \$6.00

\$6.00 is the cost per pay period for \$10,000 of Voluntary Term Life Insurance.