

Life and Accident Plans

Sun Life of Canada Insurance Company

Life Insurance Benefits

USF's Group Term Life Insurance provides financial protection for your family in the event of your death or dismemberment. Your life insurance is provided by USF in the amount equal to your annual base salary rounded up to the next \$1,000, to a maximum of \$300,000.

WHEN AM I COVERED?

To become insured under the policy, you must meet the following conditions:

- Complete and submit an enrollment form and agree to make any required contributions; and
- Submit any evidence of insurability required by Sun Life of Canada Insurance Company.
- After you have enrolled in the plan, you will be insured under the policy on the latest of the following dates:
 - The date you became eligible;
 - The date Sun Life of Canada Insurance Company approves any required evidence of insurability;
 - or
 - The date shown in Sun Life of Canada Insurance Company's approval of your request for insurance. You must be actively at work on the date your insurance begins; otherwise, your insurance will begin on the date you return to active work.

HOW IS PAYMENT MADE TO MY BENEFICIARY?

You may designate the beneficiary or beneficiaries of your choice. A written designation of your beneficiary, signed by you, must be on file with Human Resources. Unless you request otherwise, any benefit payable due to your death will be paid as follows:

Payment will be made to your designated beneficiary. If you have more than one, it will be made in equal shares to the beneficiaries living at the time of your death. Payment will be made according to the most recent beneficiary designation you have placed on file. Payments will be made in the following order of priority:

- Payment will be made to your primary beneficiaries.
- If no primary beneficiary is living at the time of your death, payment will be made to your contingent beneficiaries.
- If no named beneficiary survives you, or if you have not yet named a beneficiary, or if your beneficiary is disqualified from receiving such a benefit, the benefit will be paid in the following order of priority:
 - To surviving spouse; if none, then
 - In equal shares to your surviving children; if none, then
 - To your parent or parents, in equal shares if both are living; if none, then

- To your executors or the administrators of your estate.

HOW DO I CHANGE MY BENEFICIARY?

To change your beneficiary, you must provide a written designation (which includes your signature) to the Office of Human Resources. The change will take effect as of the date you signed it. This applies whether or not you are living on the date the notice is received.

IS MY LIFE INSURANCE TAXABLE?

Yes, the value of your life insurance over \$50,000 is considered taxable income and payroll taxes are withheld on this amount.

HOW IS A LIFE INSURANCE CLAIM MADE?

To claim your death benefit, your beneficiary must provide proof of death in writing within 90 days after your death or as soon as reasonably possible. In no event, except in the absence of legal capacity, may proof be provided later than one year after proof is otherwise required.

Sun Life of Canada Insurance Company requires that proof of claim be made on their forms. Forms are available from the Office of Human Resources.

Legal Actions

For 60 days after the written proof of claim has been filed, no legal or equitable action may be brought against Sun Life of Canada Insurance Company for that claim. No action at all may be brought against Sun Life of Canada Insurance Company after three years from the date on which written proof of claim is required.

Physical Examination and Autopsy

Sun Life of Canada Insurance Company has the right to require an autopsy as long as the law does not forbid it. Approval of claim for benefits is subject to your beneficiary's cooperation.

WILL MY INSURANCE CONTINUE IF I'M DISABLED?

If you are totally disabled on the date your insurance terminates, Sun Life of Canada Insurance Company will extend your life insurance coverage. You do not have to pay any further premiums while you are totally disabled. Your benefit will be extended in this manner if:

- You become totally disabled while you are insured under the policy and before your 60th birthday.
- You provide initial proof that your total disability has been continuous for at least 9 months.
- You must submit this proof within 12 months after your total disability starts.

- You provide further proof that you are still totally disabled.

During the period of your total disability, Sun Life of Canada Insurance Company has the right to have the physician of their choice examine you at any reasonable time or times, subject to any law or regulation which applies to this policy.

No Premium Refund

You will not receive any refund of premium that is paid during your total disability and before Sun Life of Canada Insurance Company approves your initial claim.

Providing Proof of Claim

If your death occurs while you are covered under extended benefits, Sun Life of Canada Insurance Company must receive proof of your continued total disability within one year after your death. The proof must show that your total disability was uninterrupted from the last approved proof of total disability until your death. If your death occurs before you are approved for coverage under this extension, Sun Life of Canada Insurance Company will consider your life insurance to have been extended if they receive the following proof within one year after your death:

- That premium payments stopped while you were totally disabled;
- That your death occurred within one year after becoming totally disabled;
- That your total disability lasted without interruption until your death; and
- That you would have qualified for this extension **unless** your total disability had not lasted for at least nine months or if Sun Life of Canada Insurance Company had not approved your initial proof of total disability.

Surrender of Individual Policy

Any amount payable under this provision will be reduced by the amount payable under any individual policy of life insurance you may have obtained through the use of the Conversion Privilege (see **Options When Life Insurance Ends** in this section for more information) unless the policy is turned over to Sun Life of Canada Insurance Company without claim. Sun Life of Canada Insurance Company will return all premiums paid for such a policy, less any dividends, outstanding loans, and loan interest. The amount of insurance will also be reduced if reduction for insurance amounts based on age is required in the policy.

Waiver of Premium

This extension of benefits will terminate on the earliest of the following dates:

- The date you reach age 65; or
- The date your total disability ends; or
- The date you fail to give Sun Life of Canada Insurance Company proof of your continuous total disability; or
- The date you refuse a required examination by a physician chosen by Sun Life of Canada Insurance Company.

Your Options When Extension Ends

When the extension ends, you may either become insured again by satisfying all the requirements under the policy, or apply for an individual policy. To apply for an individual policy, you cannot be eligible for life insurance under this policy, and you must apply for an individual policy within 31 days after the date this extension ends. The amount of insurance you may convert will not exceed the amount for which you are covered on the date this extension ends. (See "**When Life Insurance Ends**" for more information).

MAY I CONTINUE COVERAGE WHEN LIFE INSURANCE ENDS?

You may convert your life insurance to an individual policy if you apply to Sun Life of Canada Insurance Company within 31 days after termination and pay the first premium. No evidence of insurability is required.

Sun Life of Canada Insurance Company will issue a conversion policy if:

- Your employment ends; or
- You cease to be in a class of employees eligible for life insurance under the policy; or
- Your insurance terminates because the group policy terminates for all employees or for the class of employees to which you belong; and you have been continuously insured under the policy for at least five years prior to the date of termination.

Amount of Converted Insurance

If your insurance terminates because your employment ends or you cease to be in a class of eligible employees, you may choose an amount of insurance equal to or less than the amount of your insurance under the group policy on the date your insurance terminates.

Terms of Conversion Policy

The terms of any conversion policy will be as follows:

- You may request any life insurance policy that Sun Life of Canada Insurance Company issues at the time your request is made, except a policy that provides term insurance (except as noted below) or disability, accidental death and dismemberment, or other supplementary benefits.
- Your policy will be issued to you at your attained age on the date of issue.
- The premium will be based on the class of risk to which you then belong.
- The policy will take effect at the end of 31 days after your insurance terminates.
- When the policy takes effect, all other benefits under the group policy will cease.

Accidental Death and Dismemberment Insurance – Sun Life of Canada

WHAT ARE MY AD&D INSURANCE BENEFITS?

Sun Life of Canada Insurance Company provides Accidental Death and Dismemberment Insurance in the amount of 1 times your annual base salary to a maximum of \$300,000. Sun Life of Canada Insurance Company will pay a benefit based on the amount shown in the **Loss and Benefits Schedule** if you sustain bodily injuries while insured under the policy. The injuries must result directly from an accident independent of all other causes. Also, within 365 days after the date of the accident, the injury must result in one of the losses listed on the **Loss and Benefits Schedule**.

Loss and Benefits Schedule

Loss	% of Amount Insured
Life	100%
Both hands or both feet or sight of both eyes	100%
One hand and one foot	100%
One hand and sight of one eye	100%
One foot and sight of one eye	100%
One arm or one leg	75%
One hand or one foot or sight of one eye	50%
Speech or hearing	50%
Thumb and index finger only	25%

Note: Sun Life of Canada Insurance Company will not pay more than the principal sum, regardless of the number of losses in any one accident.

WHAT ARE THE ACCIDENTAL DEATH AND DISMEMBERMENT RESTRICTIONS?

Sun Life of Canada Insurance Company will not pay a benefit for any loss that is caused, directly or indirectly, or contributed by:

- Bacterial infection, unless the infection occurs simultaneously with and through an accidental cut or wound.
- Suicide or intentionally self-inflicted injury.
- Participation in the commission of a felony.
- War, declared or undeclared, or any act of war, or any resistance to armed invasion or aggression, or international police action with force of arms by any country or by the United Nations or any other assembly of nations.

HOW ARE ACCIDENTAL DEATH AND DISMEMBERMENT CLAIM PAYMENTS MADE?

Subject to the provisions of this policy, Sun Life of Canada Insurance Company will pay all Accidental Death and Dismemberment benefits for which they receive written proof of loss. For loss of life, Sun Life of Canada Insurance Company will pay benefits to your beneficiary. See **Life Insurance Benefits** for more information. For any other loss, Sun Life of Canada Insurance Company will pay benefits to you.

GENERAL PROVISIONS

Limit of Premium Refunds

If premiums were paid in error, Sun Life of Canada Insurance Company will refund only that part of the excess premium that was paid during the 12 months before the date Sun Life of Canada Insurance Company learned of the overpayment.

Clerical Errors

Clerical errors or delays in keeping records will not terminate insurance that would otherwise have been effective and will not continue insurance that would otherwise have ceased or should not have been in effect.

Reimbursement

Reimbursement will be made to Sun Life of Canada Insurance Company for any overpayments that they may make due to any reason. Deductions may be made from future benefit payments to recover any such over-payments.

WORKERS' COMPENSATION

Accidental Death and Dismemberment Insurance does not take the place of or affect any requirement for coverage by Workers' Compensation insurance.

WHAT IS THE EFFECTIVE DATE?

Your Accidental Death and Dismemberment insurance becomes effective at the same time as your group term life insurance. See "When Am I Covered?"

Supplemental and Dependent Life Insurance – Sun Life of Canada Insurance Company

This is an **optional** term life insurance program which provides coverage in addition to the basic group term life insurance policy. This policy is also provided by Sun Life of Canada Insurance Company. The premiums are paid by you through payroll deduction

WHAT ARE THE SUPPLEMENTAL AND DEPENDENT LIFE INSURANCE BENEFITS?

You may choose coverage in an amount equal to one time, two times, or three times your annual base salary rounded to the next \$1000 with a guaranteed issue of \$400,000. For amounts over \$400,000 (to \$500,000 max) evidence of insurability may be required.

Example:

Salary	\$31,100
Amount Chosen	<u>3X</u>
Supplemental Insurance	\$96,000

The premium is based on your age. Ask your Benefits Representative for the current age-based premium rates.

You may also select coverage for your spouse (benefits are \$5,000) and dependent children (benefits are \$2,000 for each child). The cost of the dependent life insurance is a set amount regardless of the number of family members covered. The spouse's benefit may not exceed 50% of the employee's insurance.

WHEN MAY I ENROLL?

An enrollment form must be completed within 31 days of your eligibility date to receive guaranteed coverage. Coverage may be applied for after that time period, but evidence of insurability (proof of good health) will be required and coverage is not guaranteed.

Voluntary Accident Insurance – Sun Life of Canada Insurance Company

This is an **optional** accident insurance plan which provides 24 hour coverage against accidents (not sickness) which may occur anywhere including commercial air travel as a passenger. The full premium cost is paid by you through payroll deduction. It is available to all full-time employees.

HOW ARE VOLUNTARY ACCIDENT INSURANCE BENEFITS PAID?

A benefit is paid if injuries result in death or dismemberment within one year of the date of the accident. The plan will pay as follows:

Loss	% of Amount Insured **
Loss of Life	100%
Loss of two or more members*	100%
Loss of speech and hearing (both ears)	100%
Loss of one member*	50%
Loss of speech or hearing (both ears)	50%
Loss of thumb and index finger of same hand	25%

** Member means hand, foot or eye.*

*** Only one amount, the largest to which you are entitled, is paid for all losses resulting from one accident.*

If you do not designate a beneficiary on the enrollment form, benefits will be paid to the beneficiary designated on your group life insurance form.

HOW MUCH COVERAGE MAY I BUY?

You may purchase coverage in amounts from \$25,000 to \$250,000 for you, or a portion of that for your family. You select the benefit level appropriate for you and you may select coverage for family members as well. You will be insured regardless of health history.

HOW IS A VOLUNTARY ACCIDENT INSURANCE CLAIM MADE?

Notify the Benefits Representative as soon as possible after an accident. The Benefits Representative will send you the appropriate claim form and provide assistance in completing the form if needed.

HOW DO I ENROLL?

To enroll in this plan, you must complete an enrollment form within 31 days of your employment or eligibility date. Coverage is effective the first of the month following completion of the enrollment form.

WHAT ARE THE FAMILY BENEFITS?

By choosing the family plan, you may cover your spouse under age 70 and your dependent children under age 19. The spouse coverage is 40% of the amount you select for yourself and coverage for each child is 10% of the amount. If the family does not include a spouse, each child is covered for 15% of the amount you choose for yourself. If the family does not include children, the spouse's coverage is 50%. Dependent children include step, foster, and legally adopted children, and children whose adoption procedures are pending.

Dependent children may be covered to age 25 if:

- They are full-time students in accredited schools or colleges, and
- Have their principle residence with you, and
- Rely primarily on you for support or maintenance.

No individual may be covered more than once under this plan. If you are covered as an employee, you may not be covered as a spouse or dependent child.

Special Education Benefit

If you die in a covered accident, the policy will pay, in addition to all other benefits, 2% of your benefit amount (up to \$2,500 per year) on behalf of any covered child who is enrolled as a full-time student in any institution of higher learning beyond the 12th grade level or was at the 12th grade level and enrolls within one year following the accident. The benefit is payable each year for a maximum of four years.

WHAT IS NOT COVERED?

This policy does not cover loss resulting from:

- Intentionally self-inflicted injuries.
- Commission of a felony of the insured.
- War or any act of war.
- Full-time, active duty in the armed forces.
- Sickness, disease or bodily infirmity.
- Travel in aircraft being used by or for USF.
- Travel in experimental aircraft or aircraft designed for use beyond the earth's atmosphere.
- Travel in aircraft operated by a military authority other than Military Aircraft Command or similar service of another country.
- Hang gliding.
- Parachuting (except for self-preservation).
- Serving as a pilot, a crew member, or a student taking a flying lesson in any aircraft.

MAY I CONTINUE COVERAGE?

If you leave employment or the group coverage is terminated before you reach age 70, you may convert your insurance to coverage under an individual policy. You must make

application to the company for the conversion policy and pay the first premium within 31 days of termination. Coverage may be converted for amounts up to \$250,000. Coverage on family members may also be converted. Medical certification is not required.

WHO IS ELIGIBLE?

All active full time faculty and staff members, whose duties are primarily teaching, managerial, supervisory, administrative or clerical, are automatically eligible for this program. The beneficiary designation that you provide for your group term life insurance coverage will also be considered your beneficiary designation under this plan unless you specify otherwise in writing.

Business Travel Accident Insurance – AIG Life Insurance Company

An accidental death and dismemberment (AD&D) policy is provided by the University of San Francisco which covers you while traveling on approved University business. The full premium is paid by USF and coverage is automatic.

WHAT IS THE EFFECTIVE DATE?

Your coverage becomes effective as of your date of eligible employment. There is no waiting period.

WHEN AM I COVERED?

Coverage is provided on a 24-hour basis and begins when you leave your regular place of employment on business for USF and ends upon conclusion of the business trip when you have returned to your regular place of employment or residence, whichever occurs first. You are covered from your residence if the business trip begins from your home. Coverage does not apply to injury sustained while commuting, or during leaves of absence or vacations.

All types of conveyances are covered subject to certain aircraft exclusions including any aircraft owned or leased by USF and any aircraft in which you are acting as pilot or crew member.

HOW IS AN ACCIDENTAL DEATH AND DISMEMBERMENT CLAIM FILED?

If you sustain a covered injury during a business trip for USF, notify the Benefits Representative in Human Resources. The Benefits Representative will notify the insurance company and obtain appropriate forms for you. Full assistance will be provided to you or your beneficiary in filing a claim.

HOW IS LOSS DEFINED?

Only one amount, the largest to which you are entitled, will be paid for all losses you incur from one accident. Loss of thumb and index finger means actual severance through or above the joints. Loss of hand or foot means complete severance through or above the wrist or ankle joint. Loss of speech is the irrecoverable loss which does not allow audible communication in any degree. Loss of hearing is the irrecoverable loss which cannot be corrected by a hearing aid or device. Loss of sight means entire and irrecoverable loss. The aggregate limit of indemnity per accident is \$1,000,000.

Disappearance

If you are involved in an accident, within one year of the disappearance, forced landing, stranding, sinking or wrecking of a conveyance in which you were an occupant, it shall be deemed, subject to all policy provisions, that you have suffered loss of life within the meaning of the policy.

HOW ARE BUSINESS TRAVEL ACCIDENT BENEFITS PAID?

If injuries result in death or dismemberment within 365 days of the date of the accident, the plan will pay in one sum as follows:

Loss	% of Amount Insured
Loss of Life	100%
Loss of both hands or both feet or sight of both eyes	100%
Loss of one hand and one foot	100%
Loss of either hand or foot and sight of one eye	100%
Loss of speech and hearing (both ears)	100%
Loss of sight of one eye	50%
Loss of speech or hearing (both ears)	50%
Loss of thumb and index finger of the same hand	25%

If you are age 70 through 74 at the time you sustain injuries in a covered accident, your benefit reduces to 65% of the principal sum entitlement; at age 75 through 79, it reduces to 45%; at age 80 through 84, it reduces to 30%; and at age 85 and older, to 15%.

See the "Summary of Benefits Programs" at the beginning of this handbook for the principle amount of insurance for your employee group.

WHAT IS NOT COVERED?

This policy does not cover any loss caused by or resulting from:

- Suicide or attempted suicide.
- Disease of any kind.
- Bacterial infections except pyogenic infections which shall occur through an accidental cut or wound.
- Hernia of any kind.
- Declared or undeclared war.
- Service in the military, or naval or air service of any country.
- Injury sustained while acting as pilot or crew member in any aircraft.
- Flying in any aircraft owned, operated or leased by or on behalf of USF.
- Flying in any vehicle or device for aerial navigation not being used for the transportation of passengers.
- Traveling through Libya, including its territorial waters and airspace.