

Personal Accident Insurance



*Developed for the Retirees of
City of San Jose*

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 a full-time or part-time benefited employee on active service at your customary place of employment who works for the Policyholder, including mayor or city council member or contract employee of a mayor or city council member, or a participating retiree.

Your Family – You may elect to cover your lawful spouse* and your unmarried dependent children who are under age 19 (or under age 24 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 a retiree, you cannot also be covered as a dependent.

** Domestic Partner is defined in the Group Policy. For purposes of this brochure, wherever the term Spouse appears, it shall also include Domestic Partner. You must have on file an affidavit (available from your employer) which specifies the criteria for being a Domestic Partner under the Group Policy. In addition, a Domestic Partner registered with the California Secretary of State is eligible as a Domestic Partner under the policy and no affidavit is necessary. Additional information is available from your Human Resources Department.*

How Much Coverage Can You Buy?

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

Your Family – Your Spouse's benefit amount will be 50% of yours or 60% if you have no dependent children, subject to a minimum of \$6,000 and a maximum benefit of \$300,000. Each of your covered children's benefit amount will be 15% of yours or 20% if you have no eligible spouse, subject to a minimum of \$2,000 and a maximum benefit of \$100,000.

Each family member's coverage is a percentage of the benefit amount you select. It will depend on who your insured family members are at the time of a covered accidental loss.

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

Your cost will depend on the benefit amount and coverage option you select from the chart below.

Your Benefit Amount	Monthly Cost for You and Your Family	Monthly Cost for You Only
\$10,000	\$.18	\$.11
20,000	.36	.22
30,000	.54	.33
40,000	.72	.44
50,000	.90	.55
60,000	1.08	.66
70,000	1.26	.77
80,000	1.44	.88
90,000	1.62	.99
100,000	1.80	1.10
120,000	2.16	1.32
150,000	2.70	1.65
200,000	3.60	2.20
250,000	4.50	2.75
300,000	5.40	3.30
400,000	7.20	4.40
500,000	9.00	5.50

Costs are subject to change. Benefit amounts over \$250,000 cannot be greater than 10 times your annual earnings. Benefit amounts cannot exceed \$300,000 for your spouse and \$100,000 for each child.

Please note that premiums are calculated based on the following rates per \$10,000 of coverage: \$.11 for retiree only and \$.18 for retiree and family. Actual premiums will be calculated to the nearest cent as shown above.

Benefit Reductions

When the covered person reaches age 75, his or her benefits will be reduced to 65% of the benefit amount selected and at age 80, 50%. These reductions also apply if you elect coverage after age 74.

A Valuable Combination of Benefits

Personal Accident Insurance helps protect you against losses due to accidents. A covered accident is a sudden, unforeseeable 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:	
	You or Your Spouse	Your Children
Loss of life	100%	100%
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%	200%
Total paralysis of both lower or upper limbs	75%	150%
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%	100%
Loss of thumb and index finger of the same hand	25%	50%
Coma	1%	2%

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**, 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. **Severance** means complete and permanent separation and dismemberment of the limb from the body.

Additional Benefits

For Children Requiring Special Care

Personal Accident Insurance helps parents with children who survive severe accidents. If an insured child suffers a covered accidental injury, we will double the benefit amount up to \$200,000. If your child subsequently dies within 90 days of the covered accident, then we will pay only the death benefit payable under the plan, to a plan maximum of \$100,000. The chart shown reflects this additional benefit.

This increased benefit can help parent's cope with the ongoing financial obligations associated with caring for children who require continued medical attention, rehabilitation services and a specialized educational environment.

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 Bereavement and Trauma Counseling

Personal Accident Insurance helps pay counseling expenses if you or an insured family member have experienced a covered loss. The plan will pay for up to 20 Bereavement and Counseling Sessions, up to \$75 per session, to a maximum of \$1,500 for each covered accident. Benefits are payable for each insured person and any of his or her immediate family members* for counseling expenses incurred within one year of the date of the covered accident. Counseling must be under the care of a doctor.

This benefit is not payable if the covered person is entitled to benefits under Worker's Compensation or any similar plan or if there would be no charge for counseling services if no insurance existed.

***Immediate Family Members** mean the insured's spouse, brother or sister-in-law, son or daughter-in-law, mother or father-in-law, parent (including step-parent), brother or sister (including step-brother and step-sister), or child (including legally adopted children and step-children).

Additional Benefits (cont'd)

For Carjacking

This benefit is payable if an insured person suffers a covered loss as a result of a carjacking while the insured is driving or riding in (including getting in or out of) an automobile.* Carjacking means a person other than the insured person taking unlawful possession of an automobile by means of force or threats against the person(s) then rightfully occupying such automobile.

If the carjacking benefit is payable, we will pay an additional 10% of the benefit amount, not to exceed \$25,000.

Verification of the carjacking must be an official report of the car jacking. Or be certified, in writing, by the investigating officer(s) within 24 hours, or as soon as reasonably possible.

**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 motor-home type. Automobile does not include a mobile home or any motor vehicle which is used in mass or public transit.*

For Child Care Expenses

Personal Accident Insurance pays an additional benefit to help pay for your children's child care expenses.

If you have elected to cover your family members and you die as a result of a covered accident and you have a surviving child under 13 who is enrolled in a licensed child care center at the time of the accident or within one year afterward, we will pay a child care center benefit. This benefit will be an annual sum for each covered child of up to 10% of your benefit amount but not more than \$10,000 for 5 years or until the child turns 13, whichever occurs first.

We will make the payment to the child's surviving custodial parent or legal guardian.

Each payment will be made at the end of a 12-month period in which there were documented child care center expenses. If, at the time of the accident, coverage for your family members is in force but there is no dependent child who qualifies, we will pay an additional benefit of \$1,500 to the insured's beneficiary.

For Hospital Stays

When a covered accident requires that you or an insured family member be hospitalized within 30 days of a covered accident, the plan will pay, after a waiting period of 7 days, a daily benefit of \$150 per day, for up to 180 days. The covered person must be under a doctor's care and must be confined to the hospital as an inpatient.

If the period of hospitalization lasts longer than 7 days, we will then pay retroactively to the first day.

For Rehabilitation

If you or an insured family member incur rehabilitative expenses within 1 year of the date of a covered loss, we will pay an additional 10% of the benefit amount, to a maximum of \$25,000 for each covered accident.

Rehabilitative expenses means any medical services, supplies or treatment, or hospital confinement that is necessary for physical rehabilitative training. Rehabilitative training must prepare the insured to return to his/her or any other occupation, be prescribed by and under the care of a doctor and meet the generally accepted standards of medical practice.

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%. 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%.

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.*

For Surviving Spouse

If you or your insured spouse should lose your life as a result of a covered accident, we will pay the survivor an additional 1% of the deceased person's benefit amount each month for 12 months.

The payment will be a set amount, payable each month for 12 months and determined by dividing the total benefit amount by 12 months. Payments will end once the benefit period ends or on the date the surviving spouse remarries or dies.

Surviving spouse includes you and your spouse.

Additional Benefits (cont'd)

For Furthering Education

The education benefit can give retirees who sign up for coverage for their family members extra peace of mind if their children enroll in a school of higher learning.

If you or your spouse die in a covered accident, we will pay an extra benefit for each insured child who is enrolled in a school of higher learning or is in the 12th grade and enrolls within one year of the accident. To help pay expenses, we will increase your benefit amount by 10% (up to \$10,000) for each qualifying child. This benefit is payable each year for 4 consecutive years as long as your children continue their education.

If there is no qualifying child, we will pay an additional \$1,000 to your beneficiary.

For Training for Your Spouse

If you have elected spouse coverage, your spouse will receive educational reimbursement if he or she enrolls, within one year of your death in a covered accident, in an accredited school to gain skills needed for employment. We will pay the actual cost of this education or training program up to 10% of your benefit amount, not to exceed \$50,000.

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.

What Is Not Covered

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; any act of war, declared or undeclared; 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 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 60 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; or any craft that is designed to be used in outer space; being used by any military authority, except the Air Mobility Command or its foreign equivalent.

When Your Coverage Begins and Ends

Coverage becomes effective on the first of the month after receipt of your application. Provided the application has been received and the appropriate premium paid, dependent coverage will start when your coverage begins.

If you are a retiree and you are not able to perform all the usual duties of a person of like age and sex, the effective date of your insurance will be deferred until you resume your usual duties. 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 retiree, 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 (and not less than \$25,000 nor more than \$250,000).

Signing Up Is Easy

No medical examination is required to apply!

Just follow these steps.

1. Choose the benefit amount and coverage option that are right for you, using the rate chart.
2. Retirees should forward enrollment forms to the Retirement Services Department at 1737 North First Street, Suite 580, San Jose, CA 95112.

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 Retirement Services Department at (408)794-1000 or visit the website at www.siretirement.com.

Life Insurance Company of North America

Personal Accident Insurance

POLICYHOLDER
City of San Jose

POLICY No.
OK 010280

ISSUED EFFECTIVE

MONTH DAY YEAR

I hereby apply for and authorize the necessary pension deduction for the premium to pay for accident insurance under the terms of the above Master Policy as follows (Please print or type):

Full Name _____ Date of Birth _____ Social Security # _____

Address _____
STREET CITY STATE ZIP

My Beneficiary _____ Relationship _____

I wish to enroll in the following plan (please check one):

- | | | | | |
|--|--|--|--|--|
| <input type="checkbox"/> Plan 1 (\$10,000) | <input type="checkbox"/> Plan 5 (\$50,000) | <input type="checkbox"/> Plan 9 (\$90,000) | <input type="checkbox"/> Plan 15 (\$150,000) | <input type="checkbox"/> Plan 30 (\$300,000) |
| <input type="checkbox"/> Plan 2 (\$20,000) | <input type="checkbox"/> Plan 6 (\$60,000) | <input type="checkbox"/> Plan 10 (\$100,000) | <input type="checkbox"/> Plan 20 (\$200,000) | <input type="checkbox"/> Plan 40 (\$400,000) |
| <input type="checkbox"/> Plan 3 (\$30,000) | <input type="checkbox"/> Plan 7 (\$70,000) | <input type="checkbox"/> Plan 12 (\$120,000) | <input type="checkbox"/> Plan 25 (\$250,000) | <input type="checkbox"/> Plan 50 (\$500,000) |
| <input type="checkbox"/> Plan 4 (\$40,000) | <input type="checkbox"/> Plan 8 (\$80,000) | | | |

Monthly Premium \$ _____ Plan Selection (check one): Retiree Only Family Plan*

If you select coverage for your family, benefits for family members will be a percentage of yours.

I understand that the insurance selected will begin on the effective date as described in the brochure. If my family members are unable to engage in all the usual duties of a person of like age and sex, the effective date of coverage will be delayed until the family member resumes usual duties.

* Retiree applicant will be spouse/domestic partner's and dependent children's beneficiary unless otherwise stated in writing.

DECLINATION — I have been given the opportunity to apply for this insurance, but I do not desire to participate.

SIGNATURE _____ DATE _____

11/2009



CIGNA Group Insurance
Life • Accident • Disability

This 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 important features of the plan. It is not a contract. Terms and conditions of coverage are set forth in Group Policy No. OK-010280 on Policy Form No. GA-00-1000.00, issued in California. The group policy is subject to the laws in the state 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

Class 1
11/2009