

Group life and AD&D insurance

Summary of benefits

Effective January 1, 2008

This is an overview of Blue Shield of California Life & Health Insurance Company (Blue Shield Life) group term life and accidental death and dismemberment (AD&D) insurance benefits available through Life coverage for eligible employees. Please refer to the policy for a complete description of benefits.

Life insurance is an important part of a complete benefits package offered by your employer. It provides your beneficiaries with specific benefits that include protection in the event of a tragic loss. Here is information about how our coverage can meet your needs.

Group term life insurance

Your coverage. The life insurance benefit amount designated by your employer is \$15,000. The benefit will reduce to 65% of the original amount when you reach age 65, and will further reduce to 50% of the original amount at age 70. Coverage will terminate when you retire.

Waiver of premium provision. If you become totally disabled as defined in the policy prior to age 60, you can continue life insurance coverage without paying premiums. The amount of coverage will be the coverage in effect at the time you become disabled. This waiver will be subject to reductions and terminations shown in the policy.

Accelerated death benefit. If you become terminally ill, you may elect for an advanced payment of the death benefit, subject to minimum and maximum of the benefit amount designated by your employer and defined in the policy. However, receiving the accelerated death benefit will reduce the remaining life insurance and the death benefit payable upon your death. To qualify for this benefit, you must have a minimum of \$15,000 in coverage.

Dependent coverage (available only when specifically offered by the employer). If your employer elects to purchase dependent life insurance coverage, your dependents or domestic partner will be enrolled for the same coverage amount. Your employer will notify you of the benefit amount selected.

Accidental death and dismemberment (AD&D) insurance

If you experience an accidental injury as defined by the policy, and the injury directly causes one of the following losses within 90 days of the injury date, AD&D benefits will be paid according to the following schedule. The total benefit for all losses resulting from the same accident may not exceed the principal sum benefit of \$15,000.

Life and AD&D insurance benefits

Type of loss	Portion of principal sum
Loss of life	Total principal sum
Loss of limbs above wrist or ankle; complete and irrecoverable loss of the sight in one eye	One-half of the principal sum
Loss of thumb and index finger on one hand; loss of all four fingers on one hand	One-fourth of the principal sum
Loss of all toes on one foot	One-eighth of the principal sum

(see reverse)

The following are also included as AD&D insurance features¹:

Seat belt benefit. In the event that you die as a result of a covered automobile accident while properly wearing a seat belt, an additional 10% of the principal sum, up to a maximum of \$25,000, will be payable in addition to the principal sum.

Special education benefit. In the event that you die as a result of a covered accident, and you are survived by a spouse and/or one or more dependent children, a special education benefit will be payable for:

- Each dependent child who enrolls full-time at a school of higher learning before the age of 25 (up to \$2,500 per year for four years);
- A one-time benefit up to \$5000 for a spouse who enrolls at an accredited school within one year of the accident for the purpose of retraining or refreshing skills needed for employment.

Repatriation benefit. If you die at least 100 miles away from your permanent place of residence, and the event is covered under the AD&D benefit, customary and reasonable expenses incurred for the preparation and transportation of your body will be eligible for full or partial reimbursement.

Disappearance benefit. In the event that you disappear as a result of an accidental wrecking, sinking or disappearance of a conveyance in which you were riding, and your body is not found within 365 days after the date of your disappearance, the AD&D death benefit will be payable.

Felonious assault benefit. In the event that you incur a loss as the result of a felonious assault, an additional 10% of the principal sum will be payable in addition to the principal sum. The felonious assault must be inflicted by someone other than fellow employees or members of your family or household, and must occur while you are working for or on the employer's premises.

Common carrier benefit. If you die while traveling as a paying passenger on a bus, airline, or any other means by licensed common carrier for the purpose of transporting passengers, the common carrier AD&D benefit will be payable.

Surgical reattachment benefit. In the event that you are dismembered and that body part is surgically reattached, 10% of the principal sum will be payable. The balance of the amount that would otherwise have been payable will be paid if after 365 days the reattachment has failed to the extent that loss of use then exists.

Exposure benefit. If you are unavoidably exposed to natural elements due to an accidental bodily injury, and as a result of such exposure you incur an otherwise payable loss within 365 days of the date of injury for which payment would otherwise have been made; such loss will be deemed to be a result of the injury and benefits are payable.

¹For groups of 10 or more eligible employees.