IDAHO

Extra Protection For Your Family

Group Decreasing Term Life Insurance

National Conference on
Public Employee Retirement Systems

The Prudential Insurance Company of America

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Ed. 0512

The Voice for Public Pensions

Dear Member:

Participating in a pension plan for public employees is a great first step to protecting your family's future. But, if you're like many, your needs may not be fully met by your pension plan. That's where the NCPERS Group Decreasing Term Life Insurance Plan can help.

The plan is custom designed to give your family extra financial security when they need it most. A valuable member benefit regardless of your age, it offers supplemental protection, including:

Decreasing Term Life Insurance—
For you.

Accidental Death & Dismemberment Insurance—
For you.

Dependent Term Life Insurance—
For your spouse or domestic partner and all of your eligible children.

Plus, you get all of this protection for just $16 a month—that's less than the cost of a cup of coffee per day.

Our plan is issued by The Prudential Insurance Company of America—a name you know and trust.

We're pleased to offer you the opportunity to review your insurance needs and purchase supplemental insurance for you and your family.

Don't miss out—enroll today!

Sincerely,

Melvyn Larkson

President

Extra Financial Security

Designed especially for public employees like you, this voluntary plan offers a supplementary survivor's benefit to augment your retirement system's benefits.

Solid as a Rock

Since our plan's inception more than 40 years ago, Prudential has paid over $105 million to NCPERS members and their beneficiaries. The plan is well designed and financially sound, with plan reserves committed to maximize benefits to participants. It currently serves the needs of over 85,000 public employee retirement system members nationwide.

For More Information

Read on to find out…

- **Why you may need this extra protection.**
- **What kind of coverage you can get.**
- **What it costs.**
- **Why you should buy it at work.**
- **How and when to enroll.**

"Why do I need extra protection?"

Protecting your family's future through your pension benefit is something you can feel good about. But, how would your family support themselves if something tragic happened to you before you could accrue a substantial pension benefit? Even if your pension was sizeable, how much of it would be eaten up by costly final expenses?

Designed for employees of all ages, this Group Decreasing Term Life Insurance plan is valuable for…

Members Under 50:

It provides a substantial benefit—an easy way to supplement pension survivor benefits during the early family-building years when pension plan survivor benefits are lower and your family's needs are greatest.

Members Over 50:

It provides a good way to help cover incidental expenses associated with death—like those for burial, medical, and debt, so other life insurance coverages can be used to maintain your family's lifestyle.

"What coverages can I get?"

For **an affordable price**, you get **all** of the following coverages for you and your family.

Group Decreasing Term Life

This coverage—which pays your beneficiary a maximum benefit amount in your younger years and a gradually decreasing benefit amount in your older years—will help give you peace of mind for your family's well-being.

Accidental Death & Dismemberment (AD&D)

This additional coverage pays you or your beneficiary a benefit for loss of life or other injuries resulting from a covered accident—100% for loss of life and a lesser percentage for other injuries. Injuries covered may include loss of sight and dismemberment of hands or feet.

AD&D Exclusions—No benefit will be paid due to loss from the following: war; suicide or attempted suicide; any bacterial or viral infection (unless the infection was the result of an accidental cut or wound); bodily or mental infirmity or disease, or medical or surgical treatment thereof; or by aircraft travel if you have any duties aboard the aircraft, or if you are giving or receiving training for such duties.

Dependent Term Life

This plan provides Group Decreasing Term Life Insurance for your spouse or domestic partner and a flat benefit for all of your dependent children. The benefit amount will be paid to you in a lump sum on an eligible dependent's death due to any cause. Spousal or domestic partner benefits are determined by your age at the time of your spouse's or domestic partner's death.

Domestic partners may not be recognized in all states.

"How much does this coverage cost?"

Coverage is available at a lower group cost through the purchasing power of the National Conference on Public Employee Retirement Systems. Every member, regardless of age, pays the same cost—just $16 a month. Your cost does not increase with your age. The plan pays a maximum benefit amount in your younger years and a gradually decreasing benefit amount in your older years.

"What are the advantages of this insurance?"

- **Guaranteed Acceptance—** no health questions asked.
- **24/7 Coverage—** on or off the job.
- **Affordable—** $16 a month regardless of your age.
- **Easy Payment—** by automatic payroll deductions.

Schedule of Benefits – $16 Monthly Contribution

(Covers You, Your Spouse or Domestic Partner, and Your Children)

MEMBER				DEPENDENT	
Member's Age at Time of Claim	Group Term Life	Group Accidental Death & Dismemberment	Total Benefit For Accidental Death	Group Term Life Spouse/Domestic Partner	Group Term Life Child(ren)*
Less than 25	$225,000	$100,000	$325,000	$20,000	$4,000
25 - 29	$170,000	$100,000	$270,000	$20,000	$4,000
30 - 39	$100,000	$100,000	$200,000	$20,000	$4,000
40 - 44	$65,000	$100,000	$165,000	$18,000	$4,000
45 - 49	$40,000	$100,000	$140,000	$15,000	$4,000
50 - 54	$30,000	$100,000	$130,000	$10,000	$4,000
55 - 59	$18,000	$100,000	$118,000	$7,000	$4,000
60 - 64	$12,000	$100,000	$112,000	$5,000	$4,000
65 and over	$7,500	$7,500	$15,000	$4,000	$4,000

Rates effective 6/1/2002.

Payment Examples:

1. If an insured member age 38 dies of natural causes, the beneficiary would receive $100,000. If death is due to a covered accident, $200,000 would be payable.
2. If the spouse or domestic partner of a 42-year-old member dies, the member would receive $18,000.
3. If a dependent child less than age 26 dies, the payment to the member would be $4,000.

*Unmarried children age 14 days but less than 26 years old are covered, including adopted children, stepchildren, and foster children who depend on you for support. Dependents in military service are not eligible.

For your convenience, payment is made by payroll deduction. Please send no money.

"What special features are offered?"

Waiver of Premium

If you are less than 60 years old and become totally disabled for at least nine months, your insurance may be continued without further premiums, as long as you furnish annual proof of your continued total disability satisfactory to Prudential.

Accelerated Benefit Option*

If you are terminally ill with a life expectancy of six months or less, you may receive up to 50% of your insurance benefits—up to $112,500 in advance—provided you've been in the NCPERS plan for at least one year. The death benefit, payable to your beneficiary, will be reduced by that amount.

Additional AD&D Benefits

- Education Benefit
- Seat Belt Benefit
- Air Bag Benefit
- Repatriation Benefit

Conversion of Coverage

If you cease to be a member, you can convert your insurance to a Prudential individual life policy within 31 days following termination of insurance. Dependent Spouse or Domestic Partner Term Life coverage can also be converted if you cease to be a member or die.

Retirement Coverage

Coverage can be continued into retirement if you are insured as an active member and will receive a benefit upon retiring. Simply authorize the retirement system to deduct your contributions from your retirement check.

"How can I enroll?"

You may enroll within 90 days of the date of your employment or during the open enrollment period.

To enroll, complete and detach the Enrollment/Change of Beneficiary Form—making certain to complete the form in full to avoid any problems with future claims submission.

Submit your completed enrollment form to your employer. Your employer will begin payroll deductions and forward your enrollment information to HealthSmart Benefit Solutions, Inc.

"More questions?"

Q. Is a medical exam required?

A. No, you and your family are guaranteed coverage without having to answer any health questions or take any medical exams.

Q. Does the plan pay in addition to a retirement system's survivor benefits?

A. Yes, this plan will pay a benefit in addition to pension and other insurance plans you may have.

Q. Who is eligible for this coverage?

A. All active members of the retirement system who are actively at work may enroll.

Q. When will my coverage go into effect?

A. If you enroll within 90 days of your date of employment, you will become insured on the first day of the month following your first payroll deduction. If you enroll during the open enrollment period, your coverage begins on the first day of the month following your first payroll deduction after open enrollment. Dependent coverage begins when your insurance coverage becomes effective. If a dependent is confined for medical treatment, coverage will become effective when the dependent is released by a doctor from such confinement.

Q. When will my coverage end?

A. Coverage will end if you discontinue payments, cease to be a member of the eligible classes, or if the plan is discontinued. Refer to the Booklet-Certificate for details.

Q. What if I want to change my beneficiary?

A. To change your beneficiary, simply indicate your new designation on the Enrollment/Change of Beneficiary Form and return it to your employer.

"How do I get more information?"

For additional information about life insurance or how to file a claim, please contact:

HealthSmart Benefit Solutions, Inc.
10303 East Dry Creek Road, Suite 200
Englewood, CO 80112
Phone: 800-525-8056
E-mail: NCPERS@healthsmart.com
www.NCPERSVoluntaryLife.com/persi

Note to Employer

Please complete the sections on the form noted "For Employer." Additionally, it is important that you review the form for complete information. All sections must be completed in order for Prudential to process claims. Please submit the completed enrollment form to HealthSmart Benefit Solutions, Inc. at the below address.

HealthSmart Benefit Solutions, Inc.
10303 East Dry Creek Road, Suite 200
Englewood, CO 80112
Phone: 800-525-8056
E-mail: NCPERS@healthsmart.com

*Note — The acceleration of life insurance benefits offered under this certificate is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986, IRC Section code 101(g). If the acceleration of life insurance benefits qualifies for such favorable tax treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to the acceleration of life insurance benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which you could receive acceleration of life insurance benefits excludable from income under federal law.

This brochure describes the Group Insurance Plan in a general manner. A Booklet-Certificate with complete plan information, including limitations and exclusions, will be provided when you enroll. If there is a discrepancy between this communication and the Booklet-Certificate issued by The Prudential Insurance Company of America, the Booklet-Certificate will govern.

NCPERS is a non-profit organization that provides education and support to public employee retirement systems. NCPERS has no role in the administration of the life insurance program and the benefits are guaranteed solely by the insurance carrier. NCPERS is compensated solely for the use of its name, service marks, and mailing lists.

Plan arranged and managed by Gallagher Benefit Services, Inc., the employee benefits division of Arthur J. Gallagher & Co. Gallagher receives compensation for the marketing and services they provide, which is discussed and disclosed annually with NCPERS.

Group Decreasing Term Life Insurance, Dependent Group Decreasing Term Life Insurance, and Accidental Death & Dismemberment Insurance are issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, New Jersey 07102. Contract Series: 83500.

The plan is administered by HealthSmart Benefit Solutions, Inc. Gallagher Benefit Services, Inc. and HealthSmart Benefit Solutions, Inc. are not affiliates of Prudential.

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Gallagher Benefit Services, Inc.

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IDAHO NCPERS PLAN

ENROLLMENT/CHANGE OF BENEFICIARY FORM

(PLEASE PRINT)

Be sure to:
1. Type in your information.
2. Print out and sign the form.
3. Return the form to your employer.

☐ New Member Enrollment ☐ Open Enrollment ☐ Change of Beneficiary

Member Last Name | First Name | Middle Name | ☐ Male ☐ Female

Street | City | State | ZIP Code | Home Phone Number

Date of Birth | Social Security Number

Occupation of Member | Member's Date Employed | Actively at Work? ☐ Yes ☐ No—You are not eligible for this coverage.

Beneficiary—Full Name (Example: Mary A. Doe, not Mrs. John A. Doe) | Relationship of Beneficiary

Address of Beneficiary | City | State | ZIP Code

% of Benefit to be Distributed

FOR EMPLOYER: Please show date of first deduction _____ (Mo. Day Yr.)

EMPLOYER Unit No. 000081000000

I declare the above statements and answers are complete and true and understand they are the basis for providing life insurance under a plan (or plans) issued by The Prudential Insurance Company of America to the National Conference on Public Employee Retirement Systems, in which I will participate upon becoming insured. I hereby authorize my employer to deduct from my wages amounts equal to the contributions required for me toward the premiums for Group Insurance under the NCPERS plan issued by Prudential. A photographic copy of this authorization shall be as valid as the original. The effective date of coverage will be the first day of the month following payment of my contribution through payroll deductions.

Name of Employer | City | State | ZIP Code

Signature of Member | Date

Warning: Any person who knowingly and with intent to injure, defraud, or deceive any insurance company or other person, or knowing that he is facilitating commission of a fraud, submits incomplete, false, fraudulent, deceptive, or misleading facts or information when filing a statement of claim for payment of a loss or benefit, commits a fraudulent insurance act, is guilty of a crime, and may be prosecuted and punished under state law. Penalties may include fines, civil damages, and criminal penalties, including confinement in prison. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant or if the applicant conceals, for the purpose of misleading, information concerning any fact material thereto.

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