



# Group Critical Illness Insurance

Help cover out-of-pocket expenses associated with a serious illness.

You may have medical insurance. But that doesn't mean you're covered for all of the expenses resulting from a serious illness that you probably haven't budgeted for — things like copays, deductibles, loss of income, child care and travel expenses. Group Critical Illness insurance helps fill the gap caused by these out-of-pocket costs, creating a financial safety net for you and your family.



**42%**



**46%**



Cancer patients carry rising burdens of health care-related out-of-pocket expenses: 42 percent reported a significant subjective financial burden and 46 percent used savings to defray out-of-pocket expenses.<sup>1</sup>

70 percent of people who had difficulty paying medical bills in 2012 had some kind of health insurance.<sup>2</sup>

1 "The Financial Toxicity of Cancer Treatment: A Pilot Study Assessing Out-of-Pocket Expenses and the Insured Cancer Patient's Experience," The Oncologist Express, Feb. 26, 2013, [theoncologist.alphamedpress.org/content/18/4/381.full](http://theoncologist.alphamedpress.org/content/18/4/381.full)

2 "Medical Debt Among People With Health Insurance," Kaiser Family Foundation, 2012 National Health Interview Survey (NHIS) data, Jan. 7, 2014, <http://kff.org/private-insurance/report/medical-debt-among-people-with-health-insurance/>

## Help ensure your financial plans stay healthy even when you're not.

Critical Illness insurance is an affordable way to make up the difference between what your medical insurance covers and what you'd owe out of pocket if you or a family member were to be diagnosed with a covered critical illness. It's protection that's also convenient: Your premium payments are deducted directly from your paycheck.

## An Extra Layer of Protection

Critical Illness insurance can make a big difference in your ability to pay out-of-pocket expenses associated with a serious illness. It pays a lump-sum benefit directly to you upon diagnosis of a covered illness, regardless of your treatment costs or what's covered by your medical insurance. Elect coverage in an amount of your choosing: \$10,000 or \$20,000.

### With Critical Illness insurance, you can:

- **Update your coverage as needed.** As your life circumstances change, increase or decrease your coverage, in accordance with your employer's plan.
- **Take it with you.** If you leave your job, you can take your coverage with you.
- **Pick and choose how to spend your benefit.** Spend your lump-sum benefit however you want.
- **Protect your loved ones.** Cover your spouse up to \$10,000, as long as it's not more than 50 percent of your benefit amount. Your kids are automatically covered at 25 percent of the amount elected for yourself for the same critical illnesses that you are. Kids are also covered for 21 additional childhood diseases, including cystic fibrosis, Down syndrome, muscular dystrophy, spina bifida and cerebral palsy.
- **Receive a benefit for taking care of your health.** You and your covered loved ones receive a Health Maintenance Screening benefit of \$50 once per calendar year when visiting the doctor for a covered wellness exam, such as a cholesterol screening (part of a lipid panel) or mammogram — routine preventive visits that typically cost you nothing under your medical insurance.
- **Receive additional benefits.** If you are diagnosed with a covered illness again after a treatment-free period of 12 months, you will receive 100 percent of the original benefit amount. If you are diagnosed with a different and subsequent covered illness at least 90 days after the diagnosis of the first critical illness, you will receive an additional Critical Illness insurance benefit.

Chances are good that a family member, friend or colleague of yours has endured a critical illness. You may have even seen that person struggle to pay the bills. Think of Critical Illness insurance as financial peace of mind, so you don't have to choose between paying for medical bills and helping send your daughter to the college of her dreams.

## Here's how it works:

John has \$10,000 of Critical Illness insurance coverage. He makes an appointment with his doctor after feeling off for the past few weeks. Diagnosis: cancer, with a good prognosis but a long road ahead. Within days of making a claim, John receives his Critical Illness insurance benefit paid directly to him. As John undergoes intensive treatment over the next few months, he can use the benefit for any purpose, including to pay for things that his medical insurance does not cover. Things like the deductible, copays, child care, certain medications, time away from work, alternative treatments and a special diet.

### SAMPLE OUT-OF-POCKET EXPENSES

Medical insurance deductible.....	\$1,300
Out-of-pocket expenses over the course of six months.....	\$5,000
Lost wages.....	\$4,500
Alternative treatments and diets not covered by medical plan.....	\$4,500
<b>TOTAL OUT-OF-POCKET EXPENSES.....</b>	<b>\$15,300</b>
<b>CRITICAL ILLNESS BENEFIT.....</b>	<b>\$10,000</b>
<b>OUT-OF-POCKET EXPENSES.....</b>	<b>\$5,300</b>

Costs are hypothetical. Actual costs will vary by state, cancer type, stage at diagnosis, treatments received and personal factors.

Critical Illness insurance can make a big difference in your ability to pay out-of-pocket expenses associated with a serious illness that are not covered by medical insurance.

### Covered Conditions

#### Receive 100 percent of your coverage amount for:

- Heart attack
- Severe Stroke
- Invasive Cancer
- End stage renal (kidney) failure
- Major organ failure
- Coma
- Paralysis of two or more limbs
- Loss of sight
- Occupational hepatitis
- ALS (Lou Gehrig's disease)
- Advanced Alzheimer's disease
- Advanced Multiple sclerosis
- Advanced Parkinson's disease
- Benign brain tumor
- Bone marrow transplant
- Loss of hearing
- Loss of speech

#### Receive 25 percent of your coverage amount for:

- Severe coronary artery disease with recommendation for bypass surgery
- Non-Invasive Cancer (cancer that has not metastasized)

Initial diagnosis and initial recommendation must occur after your coverage becomes effective.

## Affordable Group Rates

Because you'll be buying this insurance through City of Fullerton, you'll have access to affordable group rates. You'll also have the convenience of having your premium deducted directly from your paycheck.

Coverage for...	Coverage Amount...
You	Flat amount of \$10,000 or \$20,000
Your spouse	Flat amount of \$5,000 or \$10,000, as long as it's not more than 50% of your coverage amount
Your child(ren) through age 25	Automatically covered at 25% of your coverage amount

See the Important Details section for more information, including requirements, exclusions, age reductions and definitions.

The semimonthly premiums you would pay for Critical Illness insurance benefits are based on your age for both you and your spouse. The rates below are not combined rates for you and your spouse, rather they are the rates for each of you individually. Please note that you may continue your coverage past age 64. However, you cannot increase your coverage or apply for new coverage past age 64. See Important Details for these premiums.

Semimonthly Attained Age Premiums					
Coverage Amount	Age Band				
	< 30	30-39	40-49	50-59	60-64
<b>\$5,000</b>	\$1.28	\$1.90	\$3.85	\$7.95	\$15.23
<b>\$10,000</b>	\$2.55	\$3.80	\$7.70	\$15.90	\$30.45
<b>\$20,000</b>	\$5.10	\$7.60	\$15.40	\$31.80	\$60.90

# Important Details

Here's where you'll find the nitty-gritty details about Critical Illness Insurance.

## Portability

This coverage is portable. That means that you may be able to continue your coverage through direct bill if your employment ends, the group policy terminates or your insurance ends because you no longer meet the eligibility requirements.

## Eligibility Requirements

To be eligible for this coverage, you must be a regular Management or Federation employee of City of Fullerton, actively working in the United States at least 20 hours per week and a citizen or resident of the United States. Temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors are not eligible.

You can choose to cover your spouse, a person to whom you are legally married, your civil union partner or your domestic partner as recognized by law or by your employer's domestic partnership policy, if applicable. You can also cover your child(ren) from birth through age 25. Your child(ren) cannot be insured by more than one employee. Your spouse or child(ren) must not be full-time member(s) of the armed forces. You cannot be insured as both an individual and a dependent.

A minimum number of eligible employees must apply and qualify for the proposed plan before Critical Illness insurance coverage can become effective.

## Your Effective Date

You must satisfy the eligibility requirements listed above, serve an eligibility waiting period, agree to pay premium and be actively at work (able to perform all normal duties of your job) on the day before the scheduled effective date of insurance.

If you are not actively at work on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete one full day of active work as an eligible employee.

Please contact your human resources representative or plan administrator for more information regarding the requirements that must be satisfied for your insurance to become effective.

## Annual Open Enrollment

You may enroll for coverage for you and your spouse up to the maximum amount if you enroll within 31 days after becoming eligible. However, if you do not enroll during this period or want to increase your coverage up to the

maximum amount, you may do so during your employer's annual open enrollment period.

## Family Status Change

In the event of a family status change, you and your spouse or domestic partner or civil union partner may enroll for coverage if you or your spouse or domestic partner or civil union partner enroll within 31 days of the change. Family status change include:

- Your marriage or divorce or dissolution of your civil union or domestic partner relationship
- The birth of your child
- The adoption of a child
- The death of your dependent
- The commencement or termination of your spouse's employment
- A change in employment from full-time to part-time by your spouse
- A loss of critical illness insurance through your spouse's employment

## Keep Your Current Coverage

The semimonthly premiums you would pay for Critical Illness insurance benefits are based on your age for both you and your spouse. The rates below are not combined rates for you and your spouse, rather they are the rates for each of you individually.

Semimonthly Attained Age Premiums		
Coverage Amount	Age Band	
	65-70	71-79
\$5,000	\$15.23	\$30.73
\$10,000	\$30.45	\$61.45
\$20,000	\$60.90	\$122.90

## Reoccurrence Benefit

If you or your dependents receive a benefit for a covered critical illness and are later diagnosed with the same critical illness, a one-time reoccurrence benefit will be paid if you or your dependents have:

- Been continuously insured under the group policy between the initial and subsequent diagnosis or recommendation
- Served a 12-month treatment-free period in connection with the critical illness during which you or your dependents did not:

- Consult a physician or other licensed medical professional
- Receive medical treatment, services or advice
- Undergo diagnostic procedures, including self-administered procedures
- Take prescribed drugs or medications

### Exclusions

Benefits are not payable if a critical illness is proximately caused by any of the following:

- War or any act of war
- Attempted suicide or other intentionally self-inflicted injury, while sane or insane
- Committing or attempting to commit a felony
- Intoxicated or under the influence of any narcotic, unless administered on the advice of a Physician
- Initial diagnosis outside of the United States
- Cosmetic surgery. Cosmetic surgery means surgery that is performed to alter or reshape normal structures of the body in order to improve your or your dependent's appearance. This exclusion will not apply to a Critical Illness caused or contributed to by reconstructive surgery performed to correct or repair abnormal structures of the body caused by congenital defects, developmental abnormalities, trauma, infection, tumors or disease to do either of the following:
  - To improve function;
  - To create a normal appearance to the extent possible. Reconstructive surgery includes medically necessary dental or orthodontic services that are an integral part of reconstructive surgery for cleft palate procedures.

Note: This exclusion will not apply to a Critical Illness caused or contributed to by your or your dependent's donation of an organ or tissue.

### Preexisting Condition Exclusion

Preexisting conditions means a diagnosed mental or physical condition for which you or your dependent received medical treatment care or services or have taken prescribed drugs or medications at any time during the 90-day period just before the date your or your dependent's insurance or an increase in coverage amount becomes effective.

You or your dependent will not be covered for a critical illness if it is proximately caused by a preexisting condition or medical or surgical treatment of a preexisting condition. The preexisting condition will be covered if, on the date you or your dependent incur the critical illness:

- You or your dependent have been continuously insured under the group policy for 12 months

- You have been actively at work for at least one full day after the end of that 12 months

You and your dependents will not be covered for an increase in coverage amount if your or your dependent's critical illness is proximately caused by a preexisting condition or medical or surgical treatment of a preexisting condition. The preexisting condition will be covered if, on the date you or your dependent incur the critical illness:

- You or your dependent have been continuously insured for the increase in coverage amount under the group policy for 12 months
- You have been actively at work for at least one full day after the end of that 12 months

### When Your Insurance Ends

Your insurance ends if you notify your employer or policyholder to terminate your coverage, you stop making premium payments, your employment terminates, you reach age 80, you cease meeting the member definition or the group policy terminates.

Child and spouse insurance ends when your insurance ends, they cease to meet the definition of child or spouse, you stop making premium payments for spouse insurance, your spouse reaches age 80, spouse or child insurance is no longer offered under the group policy or the group policy terminates.

### Group Insurance Certificate

If coverage becomes effective and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage, including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the group policy. The information present in this summary does not modify the group policy, certificate or the insurance coverage in any way.

### **About Standard Insurance Company**

For more than 100 years, we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. Headquartered in Portland, Oregon, The Standard is a nationally recognized provider of group employee benefits. To learn more about products from The Standard, visit us at **[www.standard.com](http://www.standard.com)**.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon, in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.

This is a limited benefit policy.

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**IMPORTANT NOTICE TO PERSONS ON MEDICARE: THIS IS NOT MEDICARE SUPPLEMENT INSURANCE**

**Some healthcare services paid for by Medicare may also trigger the payment of benefits from this policy.**

This insurance pays a fixed dollar amount, regardless of your expenses, if you meet the policy conditions, for one of the specific diseases or health conditions named in the policy. It does not pay your Medicare deductibles or coinsurance and is not a substitute for Medicare Supplement insurance.

**Medicare generally pays for most or all of these expenses.**

**Medicare pays extensive benefits for medically necessary services regardless of the reason you need them. These include:**

- Hospitalization
- Physician services
- Hospice
- Outpatient prescription drugs if you are enrolled in Medicare Part D
- Other approved items and services

**This policy must pay benefits without regard to other health benefit coverage to which you may be entitled under Medicare or other insurance.**

**Before you buy this insurance:**

- Check the coverage in all health insurance policies you already have.
- For more information about Medicare and Medicare Supplement insurance, review the Guide to Health Insurance for People with Medicare, available from Standard Insurance Company.
- For help in understanding your health insurance, contact your state insurance department or state health insurance assistance program (SHIP).