

New Voluntary Benefit MetLife Critical Illness Insurance

Who does this affect? All benefit-eligible employees and their families

Deadline: November 30, 2006

Currently the University of Arkansas offers a voluntary cancer insurance plan through TransAmerica. In the five years since the University has offered this plan, there have been changes in the types of coverage offered in the market place. One of those changes has been the introduction of a “critical illness” policy. In addition to covering cancer, critical illness policies cover heart attack, stroke, organ failure, etc. The University conducted a review of both types of plans: traditional cancer policy versus a critical illness policy. As a result of this review, the University will replace its current Cancer policy with a Critical Illness policy offered by MetLife.

OLD

The current TransAmerica cancer plan acts as a medical supplemental plan. It pays a specific amount based on a benefit schedule assigned to the treatment of the illness. Besides cancer, there may be a limited opportunity to file a claim on heart/stroke critical illness, but only if you elected the rider for that specific coverage. The premium is payroll deducted on a pre-tax basis, which means changes or requests to drop coverage have to be held until the next tax year. The last enrollment was held in fall 2004.

NEW

Effective January 1, 2007, MetLife is the carrier for the new Critical Illness plan. MetLife pays a lump-sum benefit payment in the event you experience one of the six covered medical conditions – cancer, heart attack, stroke, major organ transplant, kidney failure, or coronary artery bypass graft – and meet the policy and certificate requirements. For example, if you purchase the basic \$10,000 policy and are diagnosed with kidney failure, you may receive the full \$10,000. You can use this \$10,000 in any way you want – from additional medical expenses to everyday living expenses – it’s up to you. You would then not pay future premiums as the policy would be terminated once the benefit is paid. This is considered an “indemnity” type plan. The premium is payroll deducted on an after-tax basis. This means changes would not be limited to the beginning of the next year.

HOW TO ENROLL:

The enrollment period is October 16 – November 30. You would enroll directly through the carrier, MetLife. MetLife will be sending you enrollment information at your home address. There are three ways to enroll in the Basic plan which is described on the back of this page:

1. return the enrollment form in the postage-paid envelope provided by MetLife;
2. enroll on-line at www.metlife.com/mybenefits by clicking on Apply Now and entering UAS (for University of Arkansas System) as your employer; or
3. call **1-800-GET-MET8 (1-800-438-6388)**, 7 am to 5 pm Central Standard Time.

2 COVERAGE OPTIONS:

During the enrollment period, you and your spouse can apply for \$10,000 each of Simplified Issue Coverage. Your dependent children can apply for half that amount, \$5,000. We are calling this the **\$10,000 Basic coverage plan**. This enrollment period (Oct 16-Nov 30) is a limited-time opportunity where you are only required to answer a few questions when applying for coverage.

If you are approved for the Basic \$10,000 plan, you can purchase additional amounts of coverage in increments of \$10,000, **up to \$100,000**. We are calling this the **Optional plan**. MetLife will send you the additional enrollment form if you are interested in additional optional coverage, but only after you first apply for the Basic coverage. You will need to successfully answer additional medical questions in order to be approved for Optional coverage.

PREMIUMS

Premiums are age-based. When you reach a birthday that ends in a zero or a five, your rates will increase the next calendar year. MetLife will include the premium rates in the material they send to your home. Following are sample monthly premiums for the \$10,000 basic policy. To add \$10,000 coverage for your spouse, roughly double the premium. To add \$5,000 dependent children coverage, add an additional 27 cents.

age 24	\$ 0.95
age 35	\$ 3.16
age 45	\$ 8.88
age 55	\$ 21.06
age 65	\$ 47.06

The critical illness premium would be deducted from your UAMS paycheck starting in January 2007. MetLife will provide us with the amounts to deduct, based upon the coverage you elect.

IF YOU ARE CURRENTLY COVERED UNDER TRANSAMERICA CANCER POLICY:

Your TransAmerica cancer insurance payroll deduction will end on December 31, 2006.

Am I required to discontinue my policy with TransAmerica?

No. MetLife Critical Illness Insurance coverage will not take the place of your existing coverage with TransAmerica. It is up to you to decide if you want to keep the TransAmerica coverage on a direct bill basis. TransAmerica will send you a letter in early 2007 offering you direct bill options.

Can I keep my current policy and add the new MetLife Critical Illness Policy?

Yes, you can do this by completing the appropriate direct bill forms you will receive from TransAmerica and enrolling in the new MetLife Critical Illness Policy during the October 16 – November 30 enrollment period. Specific enrollment information for the new MetLife Critical Illness policy will be communicated to you in the near future.

Should I drop my current TransAmerica cancer policy?

This is a question every person must evaluate for themselves. However, you should pay particular attention to the underwriting requirements, exclusions, and limitations of the new Critical Illness policy and the waiting period for benefits before making such a decision. Employees will be able to maintain their current cancer policy in addition to the new Critical Illness policy as these two policies do not have a coordination of benefits feature and will pay independently of each other.

If you have any questions regarding your current cancer policy, contact TransAmerica at **1-888-763-7474**.