

CTA's New Partnership with The Standard – A Helpful Q&A

CTA is pleased to announce its new partnership with The Standard Insurance Company (The Standard) as its exclusive carrier for its group voluntary and district paid plans. This new endorsement will begin September 1, 2007. This Q&A is intended to provide you with information about the new program and will be updated periodically during the transition process.

1. Q. Why is CTA changing carriers?

A. Although we have valued our relationship with UnumProvident for many years, this new partnership will allow CTA to provide a more competitive program for members.

It is not uncommon for plan sponsors to change carriers and CTA is looking forward to this new partnership with The Standard. With this new partnership, participants will receive many benefit enhancements at no additional cost, more open enrollment opportunities, and additional online and web based resources.

CTA will continue to endorse UnumProvident until the new partnership with The Standard takes effect on September 1, 2007.

2. Q. Why The Standard?

A. The Standard ranks as the nation's fourth largest disability and ninth largest life insurance provider. The Standard has a large presence and experience in the public and education sector with 42% of its revenue derived from these two groups. Financial ratings are strong for The Standard: A.M. Best A; Standards & Poor A+; Moody's A1 and Fitch AA-. The Standard has built a national reputation with quality insurance products, personalized service, innovation and strong financial performance. They have \$9.7 billion in assets and \$3.1 billion in annual revenue. All support for the CTA plans will be provided in The Standard's Oregon headquarters through a dedicated service team.

3. Q. What will happen to my current coverage? Do I need to fill out any paperwork to continue my coverage?

A. Coverage for all plan participants will be automatically transferred to The Standard as of September 1, 2007. There is no need to reapply or reenroll in the plans. However, we anticipate some districts may require a new payroll authorization form to send premiums to The Standard. In these situations, The Standard will communicate directly with members to facilitate the transition. Additionally, new beneficiary cards may be requested to ensure records are updated.

4. Q. What if I am out on a disability claim as of August 31, 2007?

A. All disability claims that are incurred prior to September 1, 2007 will be paid by UnumProvident for the duration of the claim. Life claims incurred prior to September 1, 2007 will also be paid by UnumProvident. If a member is out on a disability claim or on a leave of absence on September 1, 2007, they will transition to The Standard upon return to work. The CTA Risk Management and Member Benefits Department

will continue to assist members with any claim issues that may arise today or in the future.

5. Q. Why is the effective date for the new partnership September 1, 2007?

- A. We currently have an endorsement agreement with UnumProvident through August 31, 2007. Additionally, due to the size of the CTA life and disability program, it will take a year to complete the transition process to The Standard. Lastly, the plan year for the program is September 1 - August 31.

Participants will receive communication during this transition timeframe and a new Summary Plan Description when the new contract takes effect.

6. Q. Will my premiums remain the same?

- A. The Standard has provided an unconditional three-year rate guarantee on all premium contract rates currently in place. As with the current program, disability premiums will only increase if your salary scale advances, and life premiums will only increase as you age or add additional increments of coverage.

7. Q. What are the advantages of this new partnership?

- A. CTA has negotiated many enhancements to the program including more opportunities to enroll without health evidence and liberalized guidelines for chapter campaigns. Here are a few worth highlighting:

- There are numerous plan enhancements that will be provided to all participants with no additional premium expense. Twelve enhancements will be added to the disability plans including a new debit card benefit option, family and dependent care benefits, dependent education benefit, financial counseling, and a \$25,000 reasonable worksite modification/accommodation expense benefit. Seventeen enhancements will be added to the life plans including financial support services for beneficiaries, an occupational assault benefit, and a family status change option.
- The new partnership will provide more open enrollment opportunities for CTA members to enroll without health evidence. For example, members already enrolled in the voluntary life plan may increase one increment without providing evidence of good health, and those enrolled in the voluntary disability plan may enroll in voluntary life (\$25,000 coverage) without evidence of good health.
- The Standard is offering superior technology allowing for additional on-line capabilities including enrollment and disability claim submission.
- Members, who are enrolled with a non-endorsed disability carrier may enroll with The Standard (without providing health evidence) as long as there is no gap in coverage or if they were not previously denied coverage under the plans. Only CTA-endorsed plans provide CTA plan oversight, appeals procedures and a free Health Information and Well-Baby Program.

8. Q. Will My Coverage Change when The Standard becomes the new carrier?

A. There are no changes to the current level of benefits. Additionally, members will continue to receive unique plan features. Here are a few examples:

- Members, during the first 120-days of full-time employment may enroll in the CTA disability plan and up to \$200,000 of life coverage without health evidence
- If accepted into the disability plan with a pre-existing condition, the plan will cover pre-existing conditions after completing 10 consecutive regular days of required attendance of full-time active work following effective date of coverage
- Maternity Coverage: a member is considered totally disabled four weeks prior to the due date and six weeks following a normal delivery or eight weeks following a C-section. All plan provisions regarding total disability, medical necessity and pre-existing conditions apply
- Members in the CTA-endorsed life or disability plan, may participate in the CTA Health Information and Well-Baby Program
- If a claimant is dissatisfied with the appeal decision reached by the endorsed carrier, the claimant has the right to make a further appeal to the CTA Advisory Panel on Endorsed Services. The Panel's decision is binding on the carrier.

For additional information about these plan features and more, visit the CTA.org website and go to the Member Benefits page.

9. Q. How will the program be marketed? Will there be field representatives available?

A. The Standard will provide the same level of field sales support you are comfortable with today, plus some additional marketing activities. CTA is very excited with the level of enthusiasm and expertise that The Standard is placing into their marketing efforts. Additionally, The Standard has expressed a strong interest in interviewing the current UnumProvident sales representatives.

10. Q. How will this transition be communicated to members?

A. CTA and The Standard will be working on several joint communication pieces to inform all current participants of the transition process. The CTA Educator will announce the new partnership in the fall. The CTA Risk Management and Member Benefits staff will be discussing the new partnership at all upcoming CTA conferences and trainings. And, we will continue to update this Question and Answer section as we move forward.

11. Q. Whom do I contact with questions?

A. Please feel free to call the CTA Risk Management and Member Benefits Department at 650-552-5200 with additional questions.