Group Universal Life Insurance Plan
For JOHN DOE

Insuring your future

Underwritten by Minnesota Life
Important information about your life insurance
The University of Southern California is proud to partner with Minnesota Life Insurance Company to provide a new Group Universal Life (GUL) program effective November 1, 2011. The new GUL benefit offers you an affordable way to provide protection for your family and the option to accumulate cash value on a tax-deferred basis.

All of your existing term life insurance will seamlessly transition to Minnesota Life at your current coverage level(s). However, now is a great time to review your life insurance needs to ensure you are appropriately covered.

**How do I review my current coverage?**

Minnesota Life provides a secure website that you can access year-round to manage your group life insurance benefit, including your beneficiary information. Instructions on how to access the LifeBenefits website are included on page 5 of this booklet.

**Do I need to designate a new beneficiary with Minnesota Life?**

**Yes!** While all of your existing coverage amounts are transferring to Minnesota Life, your current beneficiary designation(s) is not. You are required to log into the LifeBenefits website and designate a beneficiary.

If you do not submit a new beneficiary designation to Minnesota Life by December 1, 2011, your life insurance benefits will be paid according to the policy default as follows:

1) Your spouse, if living; otherwise
2) Your natural or legally adopted children, if living; otherwise
3) Your parents, if living; otherwise
4) Your siblings, if living; otherwise
5) Your estate.

**How can I learn more about GUL?**

Learn more about this change and the new GUL insurance product. A registered representative from Minnesota Life will be on campus conducting a presentation on the following days:

<table>
<thead>
<tr>
<th>Park Campus – TCC Room #227</th>
<th>HSC Campus – Broad Conference Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 7 – 9:00 a.m.</td>
<td>September 8 – 11:00 a.m.</td>
</tr>
<tr>
<td>September 12 – 12:30 p.m.</td>
<td>September 15 – 10:00 a.m.</td>
</tr>
<tr>
<td>September 16 – 10:00 a.m.</td>
<td></td>
</tr>
</tbody>
</table>

**What do I need to do?**

This booklet provides information to help you answer those questions and the instructions to enroll for coverage. Enrolling is easy and can be done in four simple steps:

- **Step 1:** Review your needs
- **Step 2:** Understand your coverage options
- **Step 3:** Determine your costs
- **Step 4:** Log into LifeBenefits
Step 1
Review your needs

Events such as marriage, birth/adoption of children or divorce may change your life insurance needs. Take time today to review your insurance needs.

Math not your favorite subject? Visit our online calculator at LifeBenefits.com/insuranceneeds.

### Assets & Income

<table>
<thead>
<tr>
<th>What would be available to your family now, if you weren't here to provide for them?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Spouse/Domestic Partner’s annual income x number of years to age 65</td>
<td>$</td>
</tr>
<tr>
<td>Cash, savings bonds, stocks, securities (current value)</td>
<td>$</td>
</tr>
<tr>
<td>Company savings plan (401(k), 403(b), other)</td>
<td>$</td>
</tr>
<tr>
<td>Cash value of life insurance</td>
<td>$</td>
</tr>
<tr>
<td>Other assets* or income (other than your own)</td>
<td>$</td>
</tr>
</tbody>
</table>

*Equity in your home, if you plan to sell or borrow against it for cash.  

**A =** $ __________

### Basic Necessities

<table>
<thead>
<tr>
<th>What basic needs do you and your family have? (multiply the items below by the number of years required, if applicable)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Home – remaining mortgage or rent (120 months is a basic rule of thumb)</td>
<td>$</td>
</tr>
<tr>
<td>Annual household operating expenses (utilities, food, clothing, insurance, repairs, property taxes, etc.)</td>
<td>$</td>
</tr>
<tr>
<td>Childcare</td>
<td>$</td>
</tr>
<tr>
<td>Health – health insurance premiums or medical/hospital expenses not covered by insurance</td>
<td>$</td>
</tr>
<tr>
<td>Debt – balances on credit cards, car loans, etc.</td>
<td>$</td>
</tr>
</tbody>
</table>

**B =** $ __________

### Comfort Zone

<table>
<thead>
<tr>
<th>What kind of special or one-time expenses may come along?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$</td>
</tr>
<tr>
<td>Wedding</td>
<td>$</td>
</tr>
<tr>
<td>New residence</td>
<td>$</td>
</tr>
<tr>
<td>Elder care x number of years</td>
<td>$</td>
</tr>
<tr>
<td>Estate taxes, probate fees, attorney fees</td>
<td>$</td>
</tr>
<tr>
<td>Emergency fund</td>
<td>$</td>
</tr>
<tr>
<td>Funeral expenses (average is $5,000 - $10,000)</td>
<td>$</td>
</tr>
<tr>
<td>Golden years (money put aside for survivor’s retirement)</td>
<td>$</td>
</tr>
</tbody>
</table>

**C =** $ __________

### Complete the Equation

Complete the equation that most closely reflects your particular needs:

**B - A =** $ __________  
(Compare to current Life Insurance amount)

**B + C - A =** $ __________  
(Compare to current Life Insurance amount)

**Remember,** your calculation is based on today’s costs and doesn’t account for inflation or changes in annual earnings. Review your needs periodically to ensure that your needs will be met now and in the future.
Now that you reviewed your life insurance needs, you’re ready to review the options available to you under the new USC group life insurance plan.

**Remember, all of your existing coverage will transition into the new plan with Minnesota Life at your current coverage level(s) – no action is required.**

### Coverage options at a glance
In addition to the basic coverage, you have the option to enroll for supplemental life insurance for yourself and your dependents. Evidence of Insurability (EOI) may be required for any new coverage or coverage increases you elect.

<table>
<thead>
<tr>
<th>Coverage type</th>
<th>Coverage options</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic Term Life</strong></td>
<td>• One times base compensation</td>
<td>• University-paid&lt;br&gt;• No enrollment required&lt;br&gt;• Maximum coverage is $50,000&lt;br&gt;• Coverage reduces to 65 percent at age 65 and 50 percent at age 70</td>
</tr>
<tr>
<td></td>
<td>• $50,000 (Plan C participants only)</td>
<td></td>
</tr>
<tr>
<td><strong>Basic Accidental Death and Dismemberment (AD&amp;D)</strong></td>
<td>• $10,000&lt;br&gt;• $100,000 (Plan C participants only)</td>
<td>• University-paid&lt;br&gt;• No enrollment required&lt;br&gt;• Age reductions begin at age 70 for Plan C participants</td>
</tr>
<tr>
<td><strong>Group Universal Life (GUL)</strong></td>
<td>One, two, three, four or five times base compensation</td>
<td>• Maximum coverage is $2,500,000</td>
</tr>
<tr>
<td><strong>Dependent Term Life</strong></td>
<td><strong>Spouse/RDP</strong>&lt;br&gt;Option 1: $5,000&lt;br&gt;Option 2: $10,000&lt;br&gt;Option 3: $20,000&lt;br&gt;Option 4: $50,000</td>
<td>• A spouse/registered domestic partner (RDP) is not eligible for coverage if he or she is a benefits eligible USC faculty or staff member&lt;br&gt;• Children are eligible from live birth to age 26&lt;br&gt;• EOI not required for child coverage</td>
</tr>
<tr>
<td></td>
<td><strong>Child</strong>&lt;br&gt;Option 1: $5,000&lt;br&gt;Option 2: $10,000&lt;br&gt;Option 3: $20,000&lt;br&gt;Option 4: $50,000</td>
<td></td>
</tr>
<tr>
<td><strong>Voluntary AD&amp;D</strong></td>
<td><strong>Faculty/Staff Member plan</strong>&lt;br&gt;• 25,000 increments up to $500,000</td>
<td>• Family plan provides dependent AD&amp;D coverage as a percentage of the amount you elect&lt;br&gt;• Age reductions begin at age 70&lt;br&gt;• EOI not required</td>
</tr>
<tr>
<td></td>
<td><strong>Family plan</strong>&lt;br&gt;• Spouse/RDP (with children): 50 percent&lt;br&gt;• Spouse/RDP (no children): 60 percent&lt;br&gt;• Each child (with spouse/RDP): 20 percent&lt;br&gt;• Each child (no spouse/RDP): 25 percent</td>
<td></td>
</tr>
</tbody>
</table>
Step 3

Determine your costs

The monthly premium rates for GUL insurance are based on your current age, and your rates increase with age.

Cost for coverage

Group Universal Life
Please note rates increase with age.

<table>
<thead>
<tr>
<th>Age</th>
<th>Rate / $1,000 / month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>$0.028</td>
</tr>
<tr>
<td>25-29</td>
<td>0.030</td>
</tr>
<tr>
<td>30-34</td>
<td>0.040</td>
</tr>
<tr>
<td>35-39</td>
<td>0.048</td>
</tr>
<tr>
<td>40-44</td>
<td>0.062</td>
</tr>
<tr>
<td>45-49</td>
<td>0.102</td>
</tr>
<tr>
<td>50-54</td>
<td>0.156</td>
</tr>
<tr>
<td>55-59</td>
<td>0.292</td>
</tr>
<tr>
<td>60-64</td>
<td>0.451</td>
</tr>
<tr>
<td>65-69</td>
<td>0.749</td>
</tr>
<tr>
<td>70-74</td>
<td>0.919</td>
</tr>
<tr>
<td>75-79</td>
<td>1.491</td>
</tr>
<tr>
<td>80-84</td>
<td>2.419</td>
</tr>
<tr>
<td>85-89</td>
<td>3.923</td>
</tr>
<tr>
<td>90-94</td>
<td>6.365</td>
</tr>
</tbody>
</table>

Dependent Term Life
One monthly premium covers all eligible dependents.

<table>
<thead>
<tr>
<th>Coverage option</th>
<th>Rate per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1</td>
<td>$1.40</td>
</tr>
<tr>
<td>Option 2</td>
<td>3.15</td>
</tr>
<tr>
<td>Option 3</td>
<td>6.40</td>
</tr>
<tr>
<td>Option 4</td>
<td>14.00</td>
</tr>
</tbody>
</table>

Voluntary AD&D
Staff/Faculty Member only: $0.010 / $1,000 / month
Family plan: $0.019 / $1,000 / month

All rates shown are subject to change.

Calculate your costs

Example:

Staff member age 38, chooses 2 times base compensation

$45,000 \times 2 = \frac{90,000}{\text{Coverage Amount (rounded to the next $1,000)}}$

$\frac{90,000}{\text{Coverage Amount}} \div 1,000 = \frac{90}{\text{Coverage Units}} \times \frac{0.049}{\text{Monthly Rate}} = \frac{4.41}{\text{Monthly Cost}}$

Now Just Fill in the Blanks!

$\underline{\text{Base Compensation}} \times \underline{\text{Increments}} = \underline{\text{Coverage Amount (rounded to the next $1,000)}}$

$\frac{\underline{\text{Coverage Amount}}}{\text{Coverage Amount}} \div 1,000 = \underline{\text{Coverage Units}} \times \underline{\text{Monthly Rate}} = \underline{\text{Monthly Cost}}$

For assistance, go to www.LifeBenefits.com or call 800.843.8358
Starting September 6, log in to LifeBenefits and begin managing your GUL insurance benefit. Once logged in, you can learn more about GUL insurance, review and/or change your current coverage amount(s), begin contributing to your cash accumulation account and designate a new beneficiary.

Remember, you must designate a new beneficiary by December 1, 2011.

**Log on**

Access the LifeBenefits website from USC or at home following these steps:

- Go to [www.LifeBenefits.com](http://www.LifeBenefits.com)
- Enter the following as your user ID and password:
  - **User ID:** Enter USC followed by your employee ID number
  - **Password:** Enter your eight-digit date of birth followed by the last four digits of your Social Security number*

  * Example: If your date of birth was August 2, 1960 and the last four digits of your Social Security number were 1234, you would enter 080219601234 as your password.

On your first visit to the website, you’ll be asked to confirm your contact information and agree to the terms and conditions of the site. Simply follow the instructions online to review and/or make changes to your current coverage and designate a new beneficiary.

**Questions?**

Visit the “Contact us” section of [www.LifeBenefits.com](http://www.LifeBenefits.com), call Minnesota Life Customer Service at 1-800-843-8358 or e-mail LifeBenefits@securian.com.
What additional services are available?

As an insured under the Basic Term Life plan, you have access to the following basic tools and resources.

**LifeSuite Services**

- **Legacy Planning Services** – Active and retired faculty, staff and dependents can access resources designed to help individuals and families work through end-of-life issues when dealing with the loss of a loved one or planning for their own passing. These resources are available at [LegacyPlanningServices.com](http://LegacyPlanningServices.com).

- **Legal Services** – Ceridian provides faculty, staff and their dependents telephone access to a national network of 22,000+ accredited attorneys for consultation on simple wills, estate planning documents and other legal issues. Discounts are available for participating attorneys. Contact Ceridian at 1-877-849-6034 or visit [LifeWorks.com](http://LifeWorks.com) (user name: will password: preparation).

- **Travel Assistance** – Europ Assistance USA (EA) provides 24-hour emergency and non-emergency travel assistance to active faculty, staff and their families when they are traveling for business or pleasure 100 or more miles from home. Contact EA at 1-877-708-6992 or visit [LifeBenefits.com/travelassistance](http://LifeBenefits.com/travelassistance).

- **Beneficiary Financial Counseling** – Beneficiaries who receive at least $25,000 in policy benefits may choose to use independent beneficiary counseling services from PricewaterhouseCoopers LLP.

Services provided by Ceridian, PricewaterhouseCoopers LLP and Europ Assistance USA are their sole responsibility. The services are not affiliated with Minnesota Life or its group contracts and may be discontinued at any time.
Who is eligible for coverage?
All full and part-time faculty and staff actively working at the university are eligible for the group life insurance benefit. If you are not actively at work on the effective date of your coverage, the new insurance or increase in insurance amount will become effective when you return to active employment.

When will coverage be effective?
Your coverage with Minnesota Life is effective on November 1, 2011. If you enroll for new coverage or increase existing coverage, the additional amount will become effective on November 1 or on the date the applicant is approved by medical underwriting, if later.

Can I change my coverage amounts?
You may elect to increase or decrease your supplemental coverage amount(s) at any time during the year, including dependent coverage. You may also start, stop or make changes to the amount of your monthly additional contribution to your cash accumulation account at any time.

Note: If you elect to have your Voluntary AD&D premiums deducted on a pre-tax basis, you may only make changes to this coverage during USC’s open enrollment period or if you experience a qualified family status change.

If my base compensation increases, does my coverage automatically increase?
Yes. Your coverage automatically increases with your base compensation up to the $2,500,000 plan maximum. No Evidence of Insurability is required for increases resulting from a base compensation increase.

Why do I need to designate a beneficiary?
By naming a beneficiary, you are able to ensure that your life insurance benefit is being passed on to those you want to help the most.

Events such as marriage, birth/adoption of children, divorce, or death may dramatically change the intent of how you would want your life insurance benefit paid.

Some common beneficiary choices are:
- **Primary beneficiary** – The person or persons named will receive the benefit.
- **Contingent beneficiary** – If the primary beneficiary is no longer living, the benefit is paid to this person.
- **Default beneficiary** – If you do not name a beneficiary, policy benefits will be paid in order of the policy’s default beneficiary definition, as follows – your spouse, if living, otherwise; your natural or legally adopted children, if living, otherwise, your parents, if living; otherwise, your siblings, if living; otherwise, your estate.
What is Group Universal Life Insurance?

Group Universal Life (GUL) is a type of permanent life insurance with the option for tax-deferred cash accumulation.

What is GUL insurance?

GUL is flexible protection, and an excellent option for enhancing your family’s overall financial security. It can help to secure the future for those who depend on you.

With GUL coverage, you can choose to pay only for the cost of the life insurance protection or you can build cash value by also making premium contributions above the cost of the insurance. Additional contributions are made through the convenience of payroll deduction or in lump sums.

What plan features are available?

Beyond paying a benefit in the event of your death, your group life insurance plan has other important features.

- **Cash value account** – This offers an option for tax-deferred cash accumulation. Cash values will be credited at an interest rate determined by Minnesota Life, guaranteed¹ not to be less than three percent.

- **Waiver of premium** – If you become disabled prior to age 60, your supplemental life insurance premiums may be waived.

- **Accelerated Death Benefit** – If you or another insured family member becomes terminally ill with a life expectancy of 12 months or less, you may request early payment of up to 100 percent of the life insurance amount (to a maximum of $1,000,000).

Can I take my coverage with me if I leave or retire?

If you are no longer eligible for coverage as an active faculty or staff member at USC, you may take advantage of one of the continuation options. Please note that premiums may be higher than those paid by active faculty and staff.

- **Conversion** – You may convert your life coverage to an individual life insurance policy. You have 31 days after the end of your employment to convert all or a portion of your GUL coverage.

- **Portability** – You may continue to pay premiums directly to Minnesota Life to continue your GUL coverage. If you miss a payment, the cost of the insurance will be deducted from any cash value available in the policy. Coverage continues until age 95 if premiums are kept current.

¹ The guarantees for the General Account are solely based on the financial strength and claims-paying ability of Minnesota Life, which are important; however, they do not have any bearing on the performance of the subaccounts.

² Investments in the variable subaccounts will fluctuate and the cash value available for loans, withdrawals or redemption may be worth more or less than when originally invested.
How does cash value work?

What is the cash value account?
If you choose to accumulate cash value, your additional premium contributions earn a minimum interest rate of three percent, and funds grow on a tax-deferred basis. The money accumulated in the cash value account can be used to meet long-term financial opportunities and obligations, and is accessible through loans and/or withdrawals.

How does it work?
The additional premium contributions you choose to make to the cash value account are conveniently deducted from your paycheck along with your premium for the cost of the life insurance. You may also contact Minnesota Life to make one-time lump sum contributions to your account. Contributions are deposited less a 2.60 percent state and federal tax charge. Refer to the prospectus for any expenses charged by the individual subaccounts.

You are not taxed on any earnings until you withdraw more than you’ve contributed to the policy. Withdrawals and loans reduce the policy’s total death benefit, which is a combination of the policy’s face amount and any cash value. Your policy may lapse if a premium payment is missed and there is not sufficient cash value in the policy to cover it.

Here are a few other things to keep in mind:

- The minimum withdrawal is $100.
- The minimum loan amount is $100. You don’t have to pay the loan back, but interest continues to be added to any outstanding loan balance. Minnesota Life charges 8 percent interest and credits back 6 percent on the borrowed funds.

Why accumulate cash value?
- Additional retirement income
- Health care needs
- College savings
- Down payment on a home
- Vacation home

The diagram below illustrates the flow of money in and out of the account value within a Universal Life product.
Why use cash value?

Why use the cash value account?

- You can start, change or stop contributions at any time.
- Any contributions to the cash accumulation account are conveniently deducted from your paycheck along with your premium for the cost of the insurance protection. You may also contact Minnesota Life to make lump sum contributions.
- All contributions to your account earn a guaranteed interest rate of three percent, and the funds accumulated in your account grow tax-deferred.
- Access to your funds any time through loans or withdrawals. Under current tax law, there are no penalty taxes for GUL withdrawals before age 59½.
- Additional contributions are part of your life insurance policy, and will pass on to your beneficiary(ies) income-tax free upon your death.

Which is best — taking cash value by a loan or a withdrawal?

Compare the advantages and disadvantages in the chart and decide.

### Withdrawals

**Advantages**
- You can withdraw money from your cash value for any reason.
- No interest is charged on funds withdrawn.
- You are not required to pay back a withdrawal.
- There is no penalty for taking out money before age 59½.

**Disadvantages**
- There is no incentive to pay back the withdrawal and restore your cash value for future use.
- You may have to pay taxes if you withdraw more money than the premiums paid into the policy.

### Loans

**Advantages**
- When you repay the loan the money goes back into the policy to restore cash value.
- Loaned funds continue to earn interest.
- Loans do not reduce the amount you can withdraw without paying taxes.
- Loans can be taken tax-free, subject to IRS rules.

**Disadvantages**
- You must repay the loan in full to restore cash value for future use.
- Interest charges are added to the outstanding loan balance.
- You may have to pay taxes on the outstanding loaned amount if you later surrender the policy.
- Your policy could lapse if the interest charges exceed the cash value and there is not enough money available to pay the cost of insurance.
About Minnesota Life

Minnesota Life is:

• A leader in the group life insurance industry, providing group life insurance since 1917.
• Among the most highly rated insurance companies in the country. For current ratings, see our web site, under “About Us.” Ratings for financial strength and claims-paying ability are important; however, they are not reflective of the performance of any registered securities or variable subaccounts.
• Customer service-oriented. We combine people and technology to provide you with the best service possible.

<table>
<thead>
<tr>
<th>A+ (Superior)</th>
<th>AA- (Very strong)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. M. Best</td>
<td>Fitch</td>
</tr>
<tr>
<td>(second highest of 16 ratings)</td>
<td>(fourth highest of 19 ratings)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A+ (Strong)</th>
<th>Aa3 (Excellent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard &amp; Poor’s</td>
<td>Moody’s Investors Service</td>
</tr>
<tr>
<td>(fifth highest of 21 ratings)</td>
<td>(fourth highest of 21 ratings)</td>
</tr>
</tbody>
</table>

As of July 2011, Minnesota Life was rated A+ (Superior) by A.M. Best for financial condition (second highest of Best’s 16 ratings), A+ (Strong) by Standard & Poor’s for financial strength and credit quality of debt issues (fifth highest of 21 ratings), AA- (Very strong) by Fitch for claims-paying ability of life, health, property casualty, bond and annuity insurers (fourth highest of 19 ratings), and Aa3 (Excellent) by Moody’s Investors Service for insurance financial strength (fourth highest of 21 ratings).
University of Southern California
Enrollment Materials

Prepared for University of Southern California

This product is offered under the policy form series TBD

If there are any differences between these materials and the policy or
certificate, the policy and certificate govern.

This information is a general discussion of the relevant federal tax laws. It is not intended for, nor can it be used by any taxpayer for the purpose of avoiding federal tax penalties. This information is provided to support the promotion or marketing of ideas that may benefit a taxpayer. Taxpayers should seek the advice of their own tax and legal advisors regarding any tax and legal issues applicable to their specific circumstances.

MINNESOTA LIFE

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A Securian Company

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