

# Life Insurance Plans

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## Your Life Insurance Options

Life insurance provides financial resources to your beneficiaries in case of your death. Chevron Phillips Chemical Company LP (Chevron Phillips Chemical or the Company) offers eligible employees:

- Company-paid basic life insurance, and
- The opportunity to purchase supplemental life insurance for yourself and your eligible family members, if you wish.

### Frozen Age

Life insurance premiums are based on an employee's age as of January 1st of the current calendar year (e.g., calendar year 2018 benefits are based on age as of January 1, 2018).

You are automatically enrolled in basic life insurance coverage. You must enroll if you want to elect supplemental life insurance coverage. For information on eligibility and enrollment, see pages A-1 – A-7 of the **How to Participate** chapter. In some cases, a Statement of Health may be required. For more information, see **When Statement of Health (SOH) Is Required** on page A-6 of the **How to Participate** chapter.



### Base Pay

Base pay for purposes of the Chevron Phillips Chemical health and welfare plans is defined as total regular base pay. Regular base pay includes regularly scheduled overtime for employees who are normally scheduled to work more than 40 hours per week. All other types of pay that are not considered to be part of regular base pay or regularly scheduled overtime are not eligible earnings under the health and welfare plans.

If your pay increases during the calendar year, your life insurance coverage will increase accordingly, effective on the first of the month following your increase in base pay or on the date specified, if a Statement of Health is submitted and approved.

## How the Plans Work

### BASIC LIFE INSURANCE

The Company-paid coverage provides your beneficiary with a benefit of one times your annual base pay — with a minimum benefit of \$10,000 and a maximum benefit of \$250,000. Your coverage amount is rounded up to the next higher \$1,000, if it is not already a multiple of \$1,000.

### SUPPLEMENTAL LIFE INSURANCE

#### For Yourself

You may elect supplemental life insurance for yourself equal to one to eight times your annual base pay rounded up to the next higher \$1,000, if it is not already a multiple of \$1,000. The minimum coverage is \$10,000 and the maximum is \$500,000. The maximum amount of life insurance you may have through Chevron Phillips Chemical (basic and supplemental life insurance combined) is \$750,000.

During your initial enrollment for supplemental life insurance, there is a guaranteed issue amount, which is the lesser of two times your annual base pay or \$300,000. If you wish to enroll in supplemental life coverage of more than the guaranteed issue amount during your initial eligibility period, or you do not elect coverage within 31 days of when you are initially eligible, a Statement of Health will be required if you wish to enroll or increase coverage at a later date.

#### For Your Dependents

If you elect supplemental life insurance for yourself, you may also buy supplemental life insurance coverage for your spouse and eligible dependent children.\* You can elect spouse coverage in \$10,000 increments. The minimum is \$30,000 and the maximum is the lesser of \$250,000 or 100% of the combined total of your basic and supplemental life insurance coverage amounts. Changes to your pay do not affect your spouse's coverage amount.

\* Dependent children include biological children, stepchildren, foster children, legally adopted children, children legally placed for adoption and/or children under permanent legal guardianship or permanent sole managing conservatorship.

### Life Insurance and Taxes

According to federal tax law, up to the first \$50,000 of Company-provided life insurance is available to you tax-free. However, once the face amount of your coverage exceeds \$50,000, the value of the Company-provided insurance in excess of \$50,000, known as imputed income, is reported as income to the Internal Revenue Service (IRS) and added to your taxable pay. Imputed income for life insurance is determined using IRS cost tables.

For example, if you are eligible for basic life insurance in the amount of \$70,000, the value of the amount exceeding \$50,000 (\$20,000 of coverage) will be added to your W-2 earnings. Your imputed income is determined by using the IRS tables.

Your beneficiary will not pay taxes on any death benefits he or she receives from the plan. However, interest on the death benefits, if any, will be taxable.

For information about imputed income, see page Q-28.

During your initial enrollment for spouse coverage, there is a guaranteed issue amount equal to \$30,000. If you do not elect coverage within 31 days of when you or your spouse is initially eligible, a Statement of Health will be required if you wish to enroll or increase spouse coverage at a later date.

For your dependent children, you have two options to choose from:

- Option 1: \$5,000 of coverage for each child, or
- Option 2: \$10,000 of coverage for each child.

One premium for child life insurance covers all eligible children, up to age 26, no matter how many children you enroll.

If both you and your spouse work at Chevron Phillips Chemical, you may not be covered both as an employee and dependent. Also, your children may be enrolled only once under the plan.

## Accelerated Death Benefit

The Chevron Phillips Chemical life insurance plans offer an accelerated death benefit if you or your covered spouse becomes terminally ill. You (or your spouse) can receive up to 80% of your (or your spouse's) life insurance benefit (basic and supplemental combined) in advance to help with expenses.

A person is considered terminally ill if the person, due to injury or sickness, is expected to die within 12 months.

To apply for accelerated benefits, you or your covered spouse must provide the insurance company with a completed accelerated benefit claim form and a signed physician's certification that you are terminally ill. The insurance company may also require you or your spouse to be examined by a doctor of its choice, at its expense.

## AMOUNT OF THE ACCELERATED DEATH BENEFIT

The amount of the accelerated death benefit is determined at the time the insurance company approves payment. You may receive no more than 80% of your basic and supplemental life insurance coverage amount, not to exceed a maximum of \$200,000 for basic life insurance and \$400,000 for supplemental life insurance. Your covered spouse may receive no more than 80% of their spouse life insurance coverage amount, not to exceed a maximum of \$200,000.

An accelerated benefit for each eligible life benefit is payable only once.

Upon your or your covered spouse's death, your beneficiaries receive your coverage amount less the amount paid to you as an accelerated death benefit plus any interest that is applicable.

Benefits payable under the accelerated death benefit provision may be taxable. If so, you or your beneficiaries may incur a tax obligation. As with all tax matters, you should consult with a personal tax advisor to assess the impact of this benefit. Accelerated death benefits are not payable if:

- The life insurance coverage under the policy is not in force, or is expected to end within 12 months of the date that an accelerated benefit is requested,
- You or your spouse have less than \$10,000 of coverage,
- You or your spouse have already received an accelerated benefit on the eligible life benefit under the policy, or
- You have assigned your benefits.



## Who Receives Plan Benefits

Your beneficiary is the person or persons you want to receive the proceeds of your insurance upon your death. When you enroll for benefits as a new employee or when you add or change your benefit elections, you indicate your beneficiary as part of the enrollment process. For more information, see **Naming a Beneficiary** on page A-23.

You are the beneficiary of your dependent's life insurance benefits. The insurance company pays the proceeds of your dependent's life insurance in effect on the date your covered dependent dies. Benefits are paid as soon as possible after the insurance company receives proof to support the claim.

### Estate Resolution Services

This service provides your beneficiaries the personal support of a Hyatt Legal Plans' attorney either in-person or via telephone. By participating in MetLife Estate Resolution Services<sup>SM</sup>, the participating plan attorney's fees are covered for the administrator or executor of your estate for the following probate services:

- Telephone and office consultations to discuss matters related to probating the insured's estate,
- Preparation of documents and representation at court proceedings needed to transfer the probate assets from the insured's estate to the insured's heirs,
- The completion of correspondence necessary to transfer non-probate assets such as proceeds from insurance policies, joint bank accounts, stock accounts or a house, and
- Associated tax filings.

When your supplemental life insurance becomes effective, you will automatically become eligible for this service. Beneficiaries will receive an explanation of this service included with their claim form.

### Will Preparation Service

To help ensure that your assets are distributed according to your wishes, Chevron Phillips Chemical offers a will preparation service, provided by Hyatt Legal Plans, a MetLife company. The service provides eligible employees who have elected supplemental life insurance and their spouse access to Hyatt Legal Plans' network attorneys who prepare or update wills, living wills or powers of attorney at no additional charge.

When you choose a participating Hyatt Legal Plans attorney, the attorney's fees are fully covered and there are no claim forms to file. You also have the flexibility of using a non-network attorney and being reimbursed for covered services according to a set fee schedule.

To access the service or for any questions, contact Hyatt Legal Plans at 1-800-821-6400.

A Hyatt Legal Plans Representative will:

- Ask you to provide your company name or group number and the last four digits of your Social Security number or employee number,
- Help you locate a participating plan attorney in your area,
- Provide you with case numbers to give to the attorney you choose, and
- Answer any questions you have.

You contact the attorney's office and make an appointment at a time convenient for you.



## How to File a Claim

In the event of your or a covered dependent's loss, MetLife must receive notice of the loss and any required proof within 90 days — or as soon as reasonably possible — after the loss occurs. Notice can be given by calling the Chevron Phillips Benefits Service Center at 1-800-446-1422, option 1. You will be asked to provide information such as your name, address, employee identification number and/or Social Security number.

### CLAIM ASSISTANCE

For assistance with questions or problems concerning benefits under this plan, call MetLife at 1-800-638-6420. If additional assistance is needed, you also may contact MetLife at the address shown in the **General Information** chapter on page Q-27.

All decisions concerning the payment of claims under the plan are at the sole discretion of MetLife. If you disagree with the way your claim is handled, you may apply for a formal review. For more information, see the **Claims** section beginning on page Q-2.

### YOUR ERISA RIGHTS

As a participant in a Chevron Phillips Chemical benefit plan, you have certain rights under the Employee Retirement Income Security Act of 1974 (ERISA). For information about your rights under ERISA and other important information, see **Your ERISA Rights** on page Q-14.

## How to Continue Coverage If You Become Disabled

If you become disabled, you may continue your basic and supplemental life insurance coverages. The insurance will continue as long as you pay your supplemental and dependent life insurance premiums and are considered disabled under the terms of the Company's Long-Term Disability Plan. Chevron Phillips Chemical will continue to pay for your basic life insurance.

## How to Port Coverage If You're No Longer Eligible

If you are no longer eligible for supplemental insurance coverage because you terminate employment with the Company, retire or you no longer are in an eligible group of employees, you may continue your coverage through the portability option. A Statement of Health is not required.

You must be actively at work on the day your coverage ceases in order to be eligible. For your dependent spouse to be eligible, you must elect coverage for yourself, except in cases of death or divorce.

You may continue coverage for up to (but not more than) the amount you were enrolled in before becoming ineligible for coverage. Your election will need to fall within the ranges specified below.

	Minimum	Maximum
<b>For you</b>	\$ 20,000	\$ 500,000
<b>For your spouse</b>	\$ 2,500	\$ 250,000
<b>For your dependent child</b>	\$ 1,000	\$ 10,000

You must send a written request to MetLife and pay the required premiums within 31 days after your eligibility ends. Coverage becomes effective at the end of the 31-day period. You are not eligible for this option if:

- Your life insurance will be terminated and replaced by like coverage under another policy,
- Chevron Phillips Chemical goes out of business, or
- Your basic and/or supplemental life insurance was converted to an individual life policy in accordance with the conversion-of-coverage provision.

Coverage under the portability option reduces to 50% of the amount then in force on January 1st of the year in which the insured person turns age 70. Coverage ends on January 1st of the year in which the insured person turns age 80.



## TERMINATION OF COVERAGE

Your coverage under the portability option ends:

- At the end of the 31-day period for which required premiums are not paid,
- On the date of your death, or
- On January 1st of the year in which you reach age 80.

Your spouse's and dependents' coverage under the portability option ends:

- With respect to your spouse, on January 1st of the year in which your spouse reaches age 80,
- With respect to your dependent child, when the child reaches age 19, or age 23 if a full-time student (age 25 if a full-time student and Texas resident), or
- On the date your spouse or dependent child no longer is defined as an eligible dependent.

Coverage under the portability option that ends due to attainment of an age limit may be converted to an individual policy. However, the portion of coverage lost when your or your spouse's coverage is reduced by 50% at age 70 may not be converted. Only the portion left after the reduction may be converted.

## How to Convert Coverage

You or your insured dependent may convert your basic and supplemental insurance to an individual life insurance policy if any part of your or your insured dependent's life insurance under this plan stops. A Statement of Health is not required.



## REASONS FOR CONVERTING

You or your insured dependent may convert to an individual policy if your plan coverage (including coverage continued under the portability option) stops for any of these reasons:

- For your life insurance:
  - Your termination, retirement or disability,
  - Coverage ends for an eligible class of which you are a member and you participated in it for at least five consecutive years,
  - You reach the age limit for coverage,
  - The plan is changed or canceled, and you participated in it for at least five consecutive years, or
  - The coverage you have attempted to port exceeds the maximum allowed under portability, and you would like to continue the remaining coverage.
- For your dependent's life insurance:
  - Your termination, retirement, disability or death,
  - Your marriage is divorced or annulled, so that your dependent no longer is an eligible dependent,
  - Your spouse or child reaches the age limit for coverage, or
  - The plan is changed or canceled, and your spouse or child participated in it for at least five consecutive years.

You or your dependents may convert coverage by applying to MetLife and paying the first premium for an individual policy within 31 days after any part of your or your covered dependent's life insurance stops. MetLife will automatically mail the appropriate forms to you. If you do not receive the forms, call the Chevron Phillips Benefits Service Center at 1-800-446-1422, option 1, and request conversion forms.

If you or your insured dependents die within the 31-day period allowed for making an application to convert, a death benefit is paid to the applicable beneficiary in the amount you or your insured dependent were entitled to convert. This amount is paid whether or not an application to convert was made. Any premium paid for the individual policy is returned.

## TERMINATION OF COVERAGE

Your coverage under the conversion option ends as stated on your individual conversion policy.