

February 18, 2011

Dear California State University Employee:

Re: Voluntary Benefit Program Replacement

You are receiving this letter because our records indicate that you are currently participating in one or more of the following voluntary benefit programs administered by Sanders & Associates:

- Disability Insurance through The Hartford
- Hospital Income through AIG
- Accidental Death & Dismemberment (AD&D) Insurance through AIG
- Cancer Medical Reimbursement coverage through North Carolina Mutual
- Life Insurance through ING/ReliaStar (formerly known as Northwestern National)

California State University (CSU) recently conducted a review of the voluntary benefit program market place in order to determine if those currently being offered by the CSU were competitive. As a result of our in-depth analysis of several carrier product offerings, CSU released a Request for Proposal (RFP) to solicit proposals for both new and current voluntary benefit plans. Sanders & Associates did not submit a proposal; therefore, the Sanders plans will terminate effective April 30, 2011. The Sanders' plans, where appropriate, will be replaced with new voluntary benefit program options.

Effective May 1, 2011, active employees will have an opportunity to enroll in the following plans during the open enrollment period scheduled for March 1 – 31, 2011:

- Long Term Disability (LTD) Insurance through The Standard
- Accidental Death and Dismemberment (AD&D) Insurance through The Standard
- Group Critical Illness coverage through Aflac (this policy has a Cancer provision)

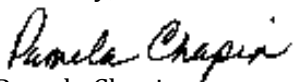
CSU also will offer the following additional voluntary benefit options:

- Voluntary Group Life Insurance through The Standard
- Auto and Home Insurance with California Casualty
- MetLaw<sup>®</sup> Legal Plan with Hyatt Legal Plans, a MetLife Company

You may be interested in continuing your current coverage(s) directly with the current carrier(s), if offered. A summary of the options available, and how to access them, is contained on the back.

We regret any inconvenience this may cause you, but we believe you will be excited by the new product offerings.

Sincerely,



Pamela Chapin  
Director, Benefits and HR Programs  
Human Resources Management

<b>If your current coverage is:</b>	<b>Disability with The Hartford</b>	<b>Hospital Income with AIG</b>	<b>AD&amp;D with AIG</b>	<b>Cancer with North Carolina Mutual</b>	<b>Life Insurance with ING/Reliastar</b>
<b>Can I keep my current coverage?</b>	No	No	You may be eligible to convert to an individual policy and be billed directly by AIG, but we expect the new plan offered with The Standard will be less expensive	You can convert to an individual policy and be billed directly through Mestmaker Insurance Services	If you are under age 70, your current plan is portable. If you are age 70 or older, you may be eligible to convert your coverage. In either case, you will be billed directly by ING
<b>How do I exercise this right?</b>	Not applicable	Not applicable	You should contact Sanders & Associates for directions on how to convert with AIG	Contact Mestmaker Insurance Services at: 661-325-5999 and ask for Pam Landis	You should receive a form from Sanders & Associates with directions on how to port or convert with ING
<b>Will the coverage and cost be the same?</b>	Not applicable	Not applicable	Conversion coverage is usually more expensive and the coverage may not be exactly the same	The cost and the coverage will be the same	Conversion coverage is usually more expensive and the coverage may not be exactly the same
<b>What options are available May 1<sup>st</sup> that are intended to replace this coverage?</b>	Long Term Disability with The Standard	Not applicable, though Group Critical Illness with Aflac is available	AD&D with The Standard	Critical Illness with Aflac, which covers cancer plus other illnesses	Life insurance with The Standard
<b>Do any special enrollment rights apply to the May 1<sup>st</sup> enrollment if I am trying to replace prior coverage?</b>	If you have disability coverage with The Hartford, you will not need to satisfy a new waiting period for coverage with The Standard	Not applicable	None are needed; no waiting periods, pre-existing condition limits, or evidence of insurability (EOI) apply	None are needed; no waiting periods, pre-existing condition limits, or evidence of insurability (EOI) applies	Evidence of insurability (EOI) will not be required up to a maximum of \$100,000 in employee-only coverage; this does not apply if you previously submitted EOI and were not approved