

New Enhanced Life Insurance Program

For MegaFlex and Flex Participants

Effective January 1, 2007, the current optional group term life insurance plan will be replaced with a new program available through Metropolitan Life Insurance Company (MetLife®). **This new program is referred to as *Group Variable Universal Life (GVUL)*.** The ***GVUL*** program replaces any previous optional group term life insurance coverage you have under *MegaFlex* or *Flex*.

This new program has benefits and features not available in the current group term life plan. **You are encouraged to review the following Frequently Asked Questions (FAQs) and visit the MetLife *GVUL* link found on your home page at www.buckhrsolutions.com/countyla for additional information.**

To access all the features of the new plan, to make changes to your current coverage, or to enroll for the first time, you must follow the enrollment procedures outlined on the MetLife web site or call MetLife. For more information on ***GVUL*** and how to enroll, read the Life Insurance section in your 2007 Annual Benefits Enrollment Guide (for easy access, MegaFlex guide pages on *GVUL* are shaded in blue, and Flex guide pages on *GVUL* are shaded in green).

If you are currently enrolled in optional group term life and you do not enroll during annual enrollment, you will be automatically enrolled for your current level of coverage under the new MetLife *GVUL* plan.

The new *GVUL* program provides:

- Permanent (to age 95) and **fully portable coverage**; which means you can keep this coverage, at the same group rates, if you end employment with the County of Los Angeles.
- Premiums at affordable group rates.
- A way for you to address future financial needs through a convenient, tax-advantaged investment opportunity – that's available through payroll deduction. **Note: Participating in this investment feature is not required for you to enroll in *GVUL*.**

After reviewing the FAQ's and your Annual Benefits Enrollment Guide, should you have any questions concerning the new program, please contact a MetLife *GVUL* Enrollment Specialist at (800) 846-0124, Monday through Friday, 7:00 a.m. to 5:00 p.m. PT.

Group Variable Universal Life (GVUL)

Frequently Asked Questions

For County of Los Angeles Megaflex and Flex Participants
Program Effective Date: January 1, 2007

The GVUL Program

Q: What is Group Variable Universal Life (GVUL) Insurance?

A: GVUL Insurance is a group life insurance program that combines permanent (to age 95) and portable life insurance coverage with the opportunity to contribute "extra premium" for investment into a variety of variable portfolios. Extra premium contributions are made on an after-tax basis and any potential earnings created accumulate on a tax-deferred basis. GVUL also offers affordable group rates.

Q: What are the advantages offered by the GVUL program?

A: GVUL offers participants:

- Permanent¹ life insurance protection
- Portable coverage – should you leave employment with the County of Los Angeles, you can continue your coverage at the same group rates
- A tax-advantaged investment opportunity to contribute additional premiums into a number of diverse and professionally-managed investment options that can be used during your lifetime.

Q: What amounts of coverage are available under the new GVUL program?

A: **For current Optional Group Term Life Insurance program participants only.** The existing coverage under the Optional Group Term Life Insurance program will be replaced by Metropolitan Life Insurance Company on a guaranteed issue basis. During annual enrollment, you may elect to increase your coverage by 1 times your salary on a guaranteed issue basis (*subject to the*

guaranteed issue maximum amount of 8 times your salary up to \$2,000,000).

For new employees. Coverage up to 8 times your salary to a maximum of \$2,000,000 is available on a guaranteed issue basis. Additional coverage up to 8 times salary to a maximum of \$3,000,000 is available on a simplified underwriting basis.

Q: Can I elect coverage in excess of the guaranteed issue maximum?

A: You may apply for additional coverage above your eligible guaranteed issue amount, on a simplified underwriting basis subject to the overall program maximum of 8 times your salary up to \$3,000,000. Any application for coverage up to \$500,000 above the guaranteed issue amount you are eligible to receive will require simplified underwriting. This process can be completed and submitted to MetLife on-line. Any application for coverage greater than \$500,000 above your guaranteed issue amount will also require a blood test. This opportunity will exist not only during annual enrollment, but also during the program year.

Q: If I am not enrolled in the current Group Term Life Insurance program, can I participate in the MetLife GVUL program?

A: Yes. During annual enrollment, you will be eligible to purchase coverage up to 1 times your salary on a guaranteed issue basis. You may also apply for additional coverage on a simplified underwriting basis subject to the overall program maximum of 8 times salary up to \$3,000,000.

What is Guaranteed Issue? No medical questions required for approval.

What is Simplified Underwriting? Health questions required for approval.

Q: Once I am enrolled in the GVUL program, can I apply to increase my coverage during the year without waiting for future annual enrollments?

A: If a life event occurs (such as marriage, divorce, birth, adoption or a family death) you may increase the amount of life insurance coverage you have elected by one level without needing to provide medical information for approval. You may also change the amount of Dependent Coverage you have elected. You must apply for this increase within 90 days of the date of the life event and your coverage change will become effective on the first day of the month following the date on which premiums are paid. To determine if the life event qualifies, and to apply for an increase, contact a MetLife group variable universal life (GVUL) Specialist at 800-846-0124. If you have not had a life event but would like to apply for an increase in coverage, you can apply by clicking on the MetLife GVUL link found on the Web enrollment system at www.buckhrsolutions.com/countyia. You will be asked to complete a medical questionnaire to determine if your increase request can be approved.

Q: For MegaFlex Retirement Plan E members only: Will I be able to participate in the Survivor Income Benefit Plan and the new MetLife GVUL program as I have in the past?

A: Yes, the program remains the same. However, the amount of life insurance you can purchase has been increased to include up to 2 times your salary if you choose the 50% option and up to 4 times your salary if you choose the 25% option. (See *Annual Benefits Enrollment Guide for details*.)

Q: For MegaFlex Retirement Plan E members only: What happens if I participate in the Survivor Income Benefit Plan and I accidentally select more than the allowable maximum under the life insurance election?

A: Your life insurance amount will automatically be reduced to the allowable maximum.

Q: What will the GVUL coverage cost?

A: Monthly premium rates are included in the life insurance section of the Annual Benefits Enrollment Guide. You may also view the premiums for your current and any additional coverage amounts on the MetLife GVUL Web site.

Q: Will my GVUL premiums change over time?

A: Yes. The cost of insurance for your coverage will increase each year based on your age as of January 1st. In addition your premium may change because of salary and/or elected coverage changes throughout the year.

Q: Can my spouse/domestic partner and dependent children be insured?

A: Yes, you may elect life insurance coverage for your spouse/domestic partner and dependent children. Your current coverage under the Dependent Term Life Insurance program will automatically be replaced on a guaranteed issue basis.

Q: How do I enroll in the new life insurance program?

A: You will have the opportunity to enroll on-line during annual enrollment. The GVUL Web site can be accessed by clicking on the MetLife GVUL link found on your home page at www.buckhrsolutions.com/countyia. You can also request a paper enrollment kit by calling a GVUL Enrollment Specialist at (800) 846-0124.

Q: If I've completed my enrollment in GVUL, can I make changes during the enrollment period?

A: Yes, but you'll need to contact a GVUL Enrollment Specialist at (800) 846-0124 to have your record re-set on the enrollment Web site before you can make changes. Once the enrollment period is ended and your new GVUL coverage has been issued, you can change your coverage by clicking on the MetLife GVUL link found on the benefits enrollment site at www.buckhrsolutions.com/countyia.

Q: What happens if I do not take action during this enrollment period?

A: If you are currently participating in the County's group insurance program and do not either actively enroll in the new program or decline coverage, the County has instructed MetLife to automatically enroll you in the MetLife GVUL program in an amount equal to your previous elections under the Optional Group Term Life Insurance program in order to ensure that no employee inadvertently loses his/her life insurance coverage.
Please note that any current beneficiary designation

will not be transferred to your new MetLife GVUL coverage. Unless you designate a beneficiary, death benefit proceeds will be paid according to the GVUL certificate, in the following order:

1. Your surviving spouse
2. Your surviving children
3. Your surviving parents
4. Your surviving siblings
5. Your estate

The GVUL Program Investment Feature

Q: What is the investment feature within GVUL?

A: GVUL offers a tax-advantaged investment feature that gives you the option to add after-tax "extra premium" dollars for purposes of investment. This feature provides you with a convenient tax-deferred way to build assets that can be used during your life to address financial needs such as retirement and education expenses. Your extra premium can be allocated among several variable portfolios managed by nationally recognized money managers. All variable investments have certain fees and expenses, which are explained in the current prospectus. Please read the prospectuses carefully before investing or call Metropolitan Life Insurance Company at (800) 846-0124 to receive a prospectus.

Q: Do I need to participate in the investment portion of the program in order to maintain insurance protection?

A: No, the investment portion of the program is optional.

Q: Why are my investment dollars called "extra premium?"

A: The after-tax money you add for investment purposes is called extra premium because it is "premium" over-and-above the premium that is paid into your certificate for the cost of your life insurance coverage. Extra premium dollars do not go toward the purchase of additional life insurance coverage, but rather go directly toward the cash value portion of your certificate.

Q: What are the tax advantages of investing extra premium into the GVUL program?

A: As permanent¹ life insurance, any potential earnings created by your extra premium for investment accumulate free from current income tax. And, at the time of withdrawal, only earnings in excess of the cumulative premiums paid into your certificate for the cost of your life insurance coverage will be subject to income tax. Withdrawals will reduce your cash value and death benefit.²

Q: How do the premiums paid for the cost of my life insurance coverage protect my investment earnings from income tax?

A: Because GVUL is permanent life insurance, the premiums paid for life insurance protection are added to any extra premium for investment to form the investment cost basis (money not subject to income tax at withdrawal). Earnings are not subject to income taxes until the cumulative amount withdrawn exceeds the cost basis. This means the life insurance premiums perform double duty – they provide life insurance protection AND increase the non-taxable investment cost basis.

Q: What is the minimum and maximum amount of extra premium for investment that I can contribute?

A: You can add from as little as \$25 monthly up to your maximum contribution limit, which is based on your age and coverage amount. For information on your maximum contribution limit, please contact an Enrollment Specialist at (800) 846-0124.

Q: Is this enrollment period my only opportunity to elect to contribute extra premiums?

A: No. You can make elections by clicking on the MetLife GVUL link found on your home page at www.buckhrrsolutions.com/countyta.

Q: Can I change the amount of my extra premium for investment?

A: Yes. You can change this at any time. The minimum monthly investment amount is \$25 and MetLife can tell you the maximum investment amount allowed for your certificate. For information on your maximum contribution limit, please contact an Enrollment Specialist at (800) 846-0124.

Q: What are the investment options in which I can invest extra premiums?

A: For your investment allocations, you can choose from 17 variable portfolios managed by Fidelity, MFS, Putnam, DWS Scudder, T. Rowe Price, and MetLife, and an interest-bearing account with a guaranteed minimum of 4% (currently crediting 5.1%).³

Q: Can I change my investment allocations?

A: Yes. You can change where existing cash values are invested and where new premium is directed at anytime without any charges or taxes. MetLife may restrict frequent transfer activity that it believes may adversely affect other program participants.

Accessing Available Cash Value within the GVUL Investment Feature

Q: Can I withdraw money from my GVUL certificate?

A: You can withdraw all or a portion of your cash value at any time, but no more than once a month. There are no surrender charges or tax penalties for withdrawals. The fee for making a withdrawal is 2% of the amount withdrawn, not to exceed \$25. The minimum withdrawal is \$500. Withdrawals will reduce the amount of money, or "cash value," and your death benefit, since your cash value is part of your death benefit.

Q: Can I borrow money from my GVUL certificate?

A: Yes. You can access your cash value through a loan. Loans are never subject to tax while your certificate is in force. Upon surrender or lapse, loans become withdrawals and may become taxable.⁴

Q: Are there any penalties for early withdrawals (withdrawals made prior to age 59½)?

A: No. There are no penalties on withdrawals made prior to age 59½, provided the contract is not a modified endowment contract.²

Q: Are there any certificate surrender charges at withdrawal?

A: No. There are no surrender charges, regardless of when you make a withdrawal. Withdrawals are subject only to a nominal processing fee of 2% of the amount withdrawn, not to exceed \$25.

Q: Can you give me an example of what may happen at the time of withdrawal if I add extra premium for investment?

A: Suppose at the time you are ready to withdraw cash value from your certificate, \$50,000 of premium for life insurance coverage has been paid into your certificate. You would then be able to withdraw up to \$50,000 (i.e., the cumulative total of premiums paid into your certificate for life insurance coverage) from your cash value without being subject to income tax. Please note withdrawals will reduce your cash value and death benefit.

The information contained in this document is not intended to (and cannot) be used by anyone to avoid IRS penalties. This document supports the promotion and marketing of GVUL. You should seek advice based on your particular circumstances from an independent tax advisor.

¹ To age 95.

² In general, if the funding of your certificate exceeds certain limits, it will become a "modified endowment contract" (MEC) and become subject to "earnings first" taxation on withdrawals and loans. An additional 10% penalty for withdrawals and loans taken before age 59½ will also generally apply. MetLife will notify you if a contribution would cause your certificate to become a MEC. Withdrawals will reduce your cash value and death benefit.

³ As of July, 2004. The current crediting rate on the interest-bearing account is subject to change.

⁴ Outstanding loan amounts do not participate in the investment experience of the variable investment options and can have a permanent effect on certificate values and benefits.

Prospectuses for Group Variable Universal Life insurance and its underlying portfolios can be obtained by calling (800) 685-0124. You should carefully consider the information in the prospectuses about the contract's features, risks, charges and expenses, and the investment objectives, risks and policies of the underlying portfolios. Please read the prospectuses and consider this information carefully before investing. Product availability and features may vary by state. All product guarantees are subject to the financial strength and claims-paying ability of Metropolitan Life Insurance Company.

Group Variable Universal Life insurance is distributed by Metropolitan Life Insurance Company, 190 Carondelet Plaza, St. Louis, MO 63105. Policy Form No. 30037.

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