

Life Insurance Plans



CONTENTS

Tips for Finding Information ... Fast!

Click on the above link to see how you can use the document's search function to quickly find the information you need.

Your Life Insurance Options	152
How the Plans Work	152
Accelerated Death Benefit	154
Who Receives Plan Benefits	155
How to File a Claim	156
How to Continue Coverage If You Become Disabled	157
How to Port Coverage If You're No Longer Eligible	157
How to Convert Coverage	159





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 2009 benefits are based on age as of January 1, 2009).

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 normally are 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 coverage will increase accordingly.



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.

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 the **How to Participate** section on pages 6 – 11. In some cases, evidence of insurability may be required. For more information, see **When Evidence of Insurability (EOI) Is Required** on page 11.

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 regular 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, including both basic and supplemental life insurance, 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 base annual earnings or \$300,000. If you do not elect coverage within 31 days when you are initially eligible, evidence of insurability will be required if you wish to enroll or increase coverage at a later date.

BENEFIT REDUCTIONS

If you work past age 65, your basic and supplemental life insurance amount is reduced as follows:

- At age 65 — the benefit amount is reduced by 35%.
- At age 70 — the benefit amount is reduced by 55%.

This reduction is effective the first day of the month following the date you reach the age specified above.

For Your Dependents

If you elect supplemental life insurance for yourself, you may also buy 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 the amount of your spouse's coverage amount.

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 when you or your spouse is initially eligible, evidence of insurability will be required if you wish to enroll or increase 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.

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.



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 a 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 337.



Accelerated Death Benefit

The Chevron Phillips Chemical life insurance plans offer an accelerated death benefit if you or your 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 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 your 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 \$400,000. Your spouse may receive no more than 80% of their spouse life insurance coverage amount, not to exceed a maximum of \$200,000.

Upon your or your 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. Terminal illness benefits are not payable if:

- Your life insurance coverage under the policy is not in force,
- You have less than \$10,000 of coverage, or
- You have assigned your benefits.



Also, if you are scheduled for a benefit reduction within the 12-month period after the date you apply for accelerated death benefits, the reduced amount will be used to calculate the amount of your accelerated death benefit.

Who Receives Plan Benefits

Your beneficiary is the person or persons you want to receive the proceeds of your insurance on your death. When you enroll for benefits as a new employee, you indicate your beneficiary as part of the enrollment process. For more information, see the **Naming a Beneficiary** section on page 34.

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 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 ServicesSM, 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 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 Group 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 spouses access to Hyatt Legal Plan network attorneys who prepare or update wills at no additional charge.

When you choose a participating Hyatt Legal Plan 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 the Hyatt Legal Plan at 1-800-821-6400.

A Hyatt Legal Plan Representative will:

- > Ask you to provide your company name, group number and Social Security number,
- > Help you locate a participating plan attorney in your area,
- > Provide you with a case number 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 death, MetLife must receive notice of the loss within 90 days — or as soon as reasonably possible — after the death occurs. Notice can be given by calling the Benefits Service Center at 1-800-446-1422, option 1. You will be asked to provide information such as:

- Chevron Phillips Chemical's name,
- The policy number, and
- Your name and address.



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** section on page 336.

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 297.

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 the **Your ERISA Rights** section on page 322.



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 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. Evidence of insurability 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*
For you	\$ 20,000	\$ 500,000
For your spouse	\$ 2,500	\$ 250,000
For your dependent child	\$ 1,000	\$ 10,000

* Limits apply if you live in Michigan.





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 is 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 1 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 dependent's coverage ends:

- With respect to your spouse, on January 1st of the year in which your spouse reaches age 70,
- With respect to your dependent child, when the child reaches age 19 (age 25 if a full-time student), 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.

Special Rules for Texas Residents Only

Dependent children can be covered to age 25 regardless of student status if they are financially dependent on covered employee.





How to Convert Coverage

You or your insured dependent may convert this 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. Evidence of insurability 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 which you are a member of and you participated in it for at least five consecutive years,*
 - *You reach the age limit for coverage, or*
 - *The plan is changed or canceled, and you participated in it for at least five consecutive years.*
- 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 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 Benefits Service Center at 1-800-446-1422, option 1, for conversion or portability forms.

If you or your insured dependents die within the 31-day period allowed for making 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.





LOOKING FOR SOMETHING? TIPS FOR FINDING INFORMATION ... FAST!


There is a wealth of important information included in this summary, but who has time to look for it? Believe it or not, you can find what you need without having to search through pages and pages of information. By taking advantage of the summary's "search" function and "bookmarks," you can find the information you need in a matter of seconds.

LOOKING FOR GENERAL, BIG PICTURE INFORMATION?

Just scroll down the table of contents — or "bookmarks" — shown at the left. Click on the applicable bookmark, and you will be taken to that section of the document.

WANT SPECIFICS?

Use the summary's "search" function. To access this function:

- On the toolbar at the top of the screen, click on the Search tool .
- Type the word, words, or part of a word for which you want to search. If you want, you can refine the search by selecting one or more of the following options:
 - "Whole words only" to find only occurrences of the complete word you enter in the text box. For example, if you search for the word "doctor," the words "doctors" and "doctor's" will not be selected during the search.
 - "Case-Sensitive" to find only occurrences of the words that are in the case that you typed. For example, if you search for the word "doctor," the search would find "doctor," but wouldn't find "Doctor."
 - **Note:** For searching this summary, you do not need to select "Search in Bookmarks" or "Search in Comments."
- Click on "In the current PDF document" to show that you just want to search this summary. (Searching multiple PDF documents works well for PDFs that are copied onto your hard drive, but not for searching online PDFs such as our benefit summaries.)
- Click on "Search."
- All occurrences of the text for which you are searching will be shown in the results box. Scroll through the list and click on the applicable highlighted text to be taken to that text in the document.

Click on "New search" if you want to perform another search.

(continued)



REAL-WORLD EXAMPLES ...

The following examples show you how to make the best use of the PDF search function.

■ **To find out if you can enroll your domestic partner under your plan coverage:**

- Access the search function, and search for “domestic.” The search results will be displayed in the results box. Click on the link to be taken to the exact information you need.
- Time spent searching? **5 seconds!**

■ **You are getting married, and you want to see if you can enroll your new spouse in your coverage:**

- You can save time by searching for “married,” “marriage” and “marry” all at the same time. To do so, access the search function, and search for “marr” (the first four letters of all three search terms). Every instance of “**m**arried,” “**m**arriage” and “**m**arry” in the summary will be displayed in the results box. Click on the links to see the plan provisions that apply. **Hint:** If you typed in “marr” and no instances were found, make sure the “Whole words only” box was not checked.
- Alternatively, you could have clicked on “When You Can Change Coverage” in the “bookmarks” shown at the left of the summary to be taken to that section of the summary. By scrolling through that section, you would have found the information you need in order to enroll your new spouse.
- Time spent searching? **20 seconds!**

■ **You need to take a military leave of absence and want to know how your benefits will be affected:**

- Access the search function, and search for “military.” The search results will be displayed in the results box. Click on the link to be taken to the “Military Leave” section of the summary.
Hint: Do not narrow your search too much. If you had entered a very specific term, such as “military leave of absence,” the search function would not have helped you because those exact words are not used in this summary. It is better to start with a more generic search term, such as “military,” and then narrow your search later if necessary.
- While you are reading the “Military Leave” section information, you see references to the “Uniformed Services Employment and Reemployment Rights Act (USERRA).” If you perform a follow-up search for “USERRA,” you will learn more about military leaves and your Company benefits.
- Time spent searching? **20 seconds!**