

# Group Voluntary Life Insurance

For The University of Alabama System

Answers to your questions about coverage from Standard Insurance Company





## About This Booklet

This booklet is designed to answer some common questions about the group Voluntary Life insurance coverage being offered by your employer to eligible employees. It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the group policy issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the group policy or the insurance coverage in any way. If you have additional questions, please contact your human resources representative.

## Group Voluntary Life Insurance

It's not easy to think about, but what if you suddenly died? Your family could be faced with house payments, unpaid bills, childcare and other expenses just to maintain their current lifestyle. Could your family live without your income? Would your family be able to cover the medical expenses associated with a terminal illness or with burial and funeral expenses?

You make a great investment in your family. You spend time with them. You care for them. You work for them. And if you're not there for them, you want them protected. The University of Alabama System provides eligible full-time employees with a basic amount of Group Life insurance to help protect your loved ones in the event of your death. Since every employee's needs are different, your employer also provides you with the opportunity to apply for Voluntary Life insurance from The Standard.

The advantages to you and your loved ones include:

- **Choice** – You decide how much coverage you need from the range of amounts available.
- **Flexibility** – If your needs change, you can request to change the amount of coverage. Increases in Voluntary Life coverage require evidence of insurability.
- **Convenience** – With premiums deducted directly from your paycheck, you don't have to worry about mailing monthly payments.
- **Peace of mind** – You can take comfort and satisfaction in knowing that you have done something positive for your family's future.

## Commonly Asked Questions

The following information provides details to give you a better understanding of Group Voluntary Life insurance available from The Standard.

### Am I eligible for this coverage?

To be eligible for this plan you must meet the active work requirement, and be one of the following:

Employer	Eligible Employee
The University of Alabama System Office	<ul style="list-style-type: none"> <li>• An active, regular full-time employee who is regularly working at least 30 hours each week</li> <li>• An active, regular part-time employee who is regularly working at least 20 hours each week</li> </ul>
The University of Alabama	<ul style="list-style-type: none"> <li>• An active, regular full-time employee who is regularly working at least 38.75 hours each week</li> <li>• An active, regular part-time employee who is regularly working at least 20 hours each week</li> </ul>
The University of Alabama in Huntsville	<ul style="list-style-type: none"> <li>• An active, regular full-time employee who is regularly working at least 30 hours each week</li> </ul>





Provided you become insured, you may also enroll your eligible dependents, including your spouse and dependent children from at least 15 days old up to age 26.

You are not eligible if you are a part-time employee of The University of Alabama in Huntsville, a temporary or seasonal employee, a full-time member of the armed forces, a leased employee or an independent contractor.

For Dependents Life insurance, your spouse or children must not be full-time members of the armed forces of any country.

### **What is the effective date of the Life coverage?**

Voluntary Life coverage will become effective January 1, 2013.

### **When does my insurance go into effect?**

The effective date of your Voluntary Life coverage will depend on the date you become an eligible member, the date you apply, and whether you are required to provide evidence of insurability.

If you are not required to provide evidence of insurability, if you apply and agree to pay premiums, your Voluntary Life coverage becomes effective on:

- The date you become eligible if you apply on or before that date; or
- The date you apply if you apply within 60 days after you become eligible.

If you are required to provide evidence of insurability, if you apply and agree to pay premiums, your Voluntary Life coverage becomes effective on the date The Standard approves your evidence of insurability.

In every case, you must meet the active work requirement before your insurance becomes effective.

## What is the active work requirement?

Active work means performing with reasonable continuity, the material duties of your own occupation at your employer's usual place of business. You must be capable of active work on the day of the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are not actively at work on the day of the scheduled effective date of insurance, including Dependents Life insurance, your insurance will not become effective until the day you return to active work as an eligible employee.

## How much coverage may I get for myself?

### Employer-paid Basic Life Insurance:

Your employer provides the following Basic Life insurance benefit to eligible full-time employees:

(Note: Part-time employees are not eligible for Basic Life and AD&D insurance)

For employees with annual earnings less than \$24,000:	\$30,000
For employees with annual earnings of at least \$24,000 but less than \$30,000:	\$37,500
For employees with annual earnings of at least \$30,000 but less than \$40,000:	\$50,000
For employees with annual earnings of at least \$40,000:	1.25 times your annual earnings, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000. The maximum amount is \$300,000.

### Voluntary Life Insurance:

You may elect Voluntary Life coverage under one of the following options:

Option A: 1 times your Annual Earnings

Option B: 2 times your Annual Earnings

Option C: 3 times your Annual Earnings

Option D: 4 times your Annual Earnings

Option E: 5 times your Annual Earnings

Option F: You may apply for Voluntary Life insurance in multiples of \$50,000

The amount of your Voluntary Life insurance will be rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000. The maximum amount is the lesser of 5 times your annual earnings, or \$1,400,000.

If you want to become insured for an amount of Voluntary Life in excess of the guarantee issue amount of the lesser of 3 times your annual earnings, or \$500,000, the excess will be subject to medical underwriting approval. All late applications and requests for coverage increases are also subject to medical underwriting approval, unless you apply to increase your Voluntary Life coverage by one level, not to exceed the guarantee issue amount, within 60 days of a family status change.

## How much coverage may I get for my spouse and children?

If you are insured for Voluntary Life coverage, Dependents Life insurance from Standard Insurance Company is also available with this plan.

You may elect Dependents Life coverage for a spouse in units of \$10,000 to a maximum of \$150,000 but not to exceed 100 percent of your Voluntary Life coverage.

If you elect an amount for your spouse greater than the guarantee issue amount of \$30,000, the excess will be subject to medical underwriting approval. All late applications and requests for coverage increases will also require medical underwriting approval, unless you apply to increase Dependents Life coverage for your spouse by one increment, not to exceed the guarantee issue amount, within 60 days of a family status change.

You may elect \$1,000 of Dependents Life Insurance for your eligible children who are at least 15 days old, but less than 6 months of age. You may elect \$10,000 of Dependents Life Insurance for your eligible children who are 6 months of age or older. The amount of Dependents Life Insurance for your eligible children may not exceed 100 percent of your Voluntary Life Coverage.

## How much coverage do I need?

It can be difficult to determine the amount of insurance you need. Each family has its own unique set of circumstances, combined with needs that may arise with the unexpected loss of life. Use the worksheet below in calculating the amount of life insurance coverage you may need. The final total is the amount of Voluntary Life insurance you might want to consider applying for to meet your obligations.

	You	Your Spouse
<b>Immediate Needs</b>		
Medical and hospital expenses	\$ _____	\$ _____
Funeral/burial expenses	_____	_____
Loans/Debts requiring payment upon death	_____	_____
<b>Taxes</b>		
Federal and state income taxes	\$ _____	\$ _____
Property taxes	_____	_____
Federal and state estate taxes	_____	_____
<b>Long Term Needs</b>		
Mortgage	\$ _____	\$ _____
Debts (credit cards, car and student loans, etc.)	_____	_____
Educational/Vocational fund	_____	_____
Childcare expenses	_____	_____
Emergency fund for unforeseen expenses	_____	_____
<b>Income Replacement</b>		
Consider the income needed to support your family and the number of years they will need that support.	\$ _____	\$ _____
<b>Total Income Needs</b>		
Add together all of the above.	\$ _____	\$ _____
<b>Available Resources</b>		
Existing life insurance coverage	\$ _____	\$ _____
Other assets such as 401(k), stocks, bonds, etc.	_____	_____
<b>Total Optional Life Insurance Needed</b>		
Subtract the amount of your available resources from your total income needs.	\$ _____	\$ _____

## How much will the Voluntary Life coverage cost me?

Use the following rates to determine the monthly premium for your Voluntary Life coverage:

Employee age on January 1	Monthly Rate per \$1,000 of total coverage
Age 24 and under	\$0.036
Age 25 to 29	\$0.045
Age 30 to 34	\$0.054
Age 35 to 39	\$0.071
Age 40 to 44	\$0.091
Age 45 to 49	\$0.136
Age 50 to 54	\$0.208
Age 55 to 59	\$0.359
Age 60 to 64	\$0.553
Age 65 to 69	\$0.993
Age 70 and above	\$1.722

To calculate the monthly premium for your coverage:

$$\begin{array}{c}
 \$ \underline{\hspace{2cm}} \div \$1,000 = \underline{\hspace{2cm}} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}} \\
 \text{Amount of} \qquad \qquad \qquad \qquad \qquad \qquad \text{Premium rate} \qquad \qquad \qquad \text{Your monthly cost} \\
 \text{Voluntary Life} \\
 \text{elected} \qquad \qquad \qquad \qquad \qquad \qquad \text{from above chart}
 \end{array}$$

## How much will the Dependents Life coverage cost for my spouse and children?

Use the following rates to determine the monthly premium for your spouse's Dependents Life coverage:

Employee age on January 1	Monthly rate per \$1,000 of total coverage
Age 24 and under	\$0.036
Age 25 to 29	\$0.045
Age 30 to 34	\$0.054
Age 35 to 39	\$0.071
Age 40 to 44	\$0.091
Age 45 to 49	\$0.136
Age 50 to 54	\$0.208
Age 55 to 59	\$0.359
Age 60 to 64	\$0.553
Age 65 to 69	\$0.993
Age 70 and above	\$1.722

To calculate the monthly premium for your spouse:

$$\begin{array}{c}
 \$ \underline{\hspace{2cm}} \div \$1,000 = \underline{\hspace{2cm}} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}} \\
 \text{Amount of} \qquad \qquad \qquad \qquad \qquad \qquad \text{Premium rate} \qquad \qquad \qquad \text{Your monthly cost} \\
 \text{Dependents Life} \\
 \text{elected for spouse} \qquad \qquad \qquad \qquad \qquad \qquad \text{from above chart}
 \end{array}$$





## Child(ren) Rates

If you elect Dependents Life insurance for your eligible child(ren), your monthly premium rate for this coverage is \$0.09 per \$1,000; regardless of the number of eligible children covered. Premiums for this coverage will be deducted directly from your paycheck.

## Will my spouse and I have to provide information regarding our medical histories?

If you apply for Voluntary Life insurance or Dependents Life insurance within 60 days of becoming eligible to apply and meet the active work requirement, you will automatically qualify for up to a set amount of insurance coverage called the guarantee issue amount. This means that you will not have to answer medical questions to purchase coverage up to this amount.

If you apply for Voluntary Life insurance or Dependents Life insurance for you or your spouse more than 60 days after becoming eligible to apply or if you determine that you need more insurance than the guarantee issue amount, satisfactory evidence of insurability is required (unless evidence of insurability for an elective increase is waived within 60 days of a family status change). You will need to complete and submit a Medical History Statement. In some cases, we may request additional medical information or a physical exam.

Evidence of insurability is also required for reinstatement of terminated coverage and for members eligible but not insured under prior life insurance plans.

## How do I apply for Voluntary Life and Dependents Life insurance coverage?

To apply for Voluntary Life and Dependents Life insurance login at [www.standard.com/enroll](http://www.standard.com/enroll). If you are a first time user, follow the simple steps to acquire a login. If you have questions or need to request a paper form, please call 855.757.4714. You can apply at any time, but remember if you apply more than 60 days after becoming eligible, satisfactory evidence of insurability may be required. Coverage subject to evidence of insurability is not effective until approved by The Standard.

## How are benefits paid?

For benefit amounts of less than \$25,000, The Standard issues a check to each designated beneficiary. The Standard pays amounts of \$25,000 or more to each designated beneficiary by depositing funds into Standard Secure Access — a convenient, no fee, interest-bearing draft account.

With Standard Secure Access, each beneficiary receives a personalized checkbook and has complete control of the account. Beneficiaries can write checks as needed or for the full amount. This arrangement allows beneficiaries to earn competitive interest rates on their benefits while they take the necessary time to consider financial decisions and evaluate their choices.



## Will insurance benefits be reduced as I grow older?

Under this plan, insurance will not be reduced because of your age unless your insurance is subject to termination under the Waiver of Premium provision.

## What happens if I become totally disabled and can't work?

The Standard will continue your Voluntary Life insurance without premium payments if you:

- Become totally disabled while insured under the group policy
- Are under the age of 60
- Complete the waiting period of 180 days
- Provide The Standard with satisfactory proof of total disability

The Waiver of Premium provision does not apply to Basic Life and AD&D insurance.

## What happens if I become terminally ill?

Under the Accelerated Benefit provision, you may be eligible to receive up to 80 percent, or up to a maximum of \$500,000, of your Life insurance coverage if you become terminally ill, have a life expectancy of less than 12 months and meet other eligibility requirements.

This benefit allows you to use the proceeds as you desire — whether to cover medical expenses or to maintain your quality of life. The amount of Life insurance payable upon your death is reduced by the Accelerated Benefit paid and an interest charge. However, to help protect your beneficiaries, The Standard will pay at least 10 percent of the original Life coverage amount at that time even if interest charges on the accelerated amount would have exhausted the remaining benefits.

Your spouse may also be eligible to receive an Accelerated Benefit. Please contact The Standard for additional information.

## Are there any other benefits with Life coverage from The Standard?

The Standard pays an additional benefit, the Repatriation Benefit, if you die more than 200 miles from your primary place of residence. The Standard will pay for expenses, up to a benefit maximum, incurred to transport your body to a mortuary near your primary place of residence.<sup>1</sup>

The Standard includes a travel assistance program that provides a full range of 24-hour medical, legal and travel assistance services to you and your dependents when you travel more than 100 miles from home or in a foreign country.<sup>2</sup>



<sup>1</sup>This benefit is not available in Maryland.

<sup>2</sup>Provided through an agreement with MEDEX® Assistance Corporation.



## What are the exclusions?

Voluntary Life includes an exclusion for death resulting from suicide or other intentionally self-inflicted injury while sane or insane.<sup>3</sup> The amount payable will exclude amounts that have not been continuously in effect for at least two years on the date of death.

## When does coverage end?

Group Voluntary Life insurance coverage ends automatically on the earliest of the following:

- The date the last period ends for which a premium was paid for your Life insurance (except if premiums are waived while totally disabled, if applicable)
- The last day of the calendar month in which your employment terminates
- The date the group policy terminates
- The date Life insurance terminates under the group policy
- The date you cease to be a member; however, insurance may continue for limited periods under certain circumstances
- If applicable, the date your employer ceases to participate under the group policy
- For Academic employees, the date your contract agreement with your Employer terminates

Dependents Life coverage for your spouse and children ends automatically on the earliest of the following:

- Five months after the date you die
- The date your Group Voluntary Life insurance ends
- The date the Dependents Life insurance terminates under the group policy
- The date the last period ends for which a premium was paid for your Dependents Life insurance
- When the dependent ceases to be an eligible dependent
- For your spouse, the date of your divorce
- For a child who is disabled, 90 days after we mail you a request for proof of disability, if proof is not given

<sup>3</sup>For New Jersey residents, "insane" is not applicable.

<sup>4</sup>For New Jersey residents, "insane" is not applicable.

### **If my Voluntary Life insurance ends or is reduced, may I convert to an individual policy?**

If your Voluntary Life insurance from The Standard ends or is reduced for any reason other than failure to pay premiums, you may be able to convert the terminated coverage to certain types of individual life insurance policies without providing evidence of insurability. You must apply for conversion and pay the required premium within 45 days after group coverage ends or is reduced.

### **May I buy Voluntary Life coverage after I leave my employer?**

If your insurance ends because your employment terminates, you may be eligible to buy group life insurance from The Standard through the Portability provision, assuming you meet the eligibility requirements. Please contact The Standard for additional information.

### **What if I have additional questions?**

If you have any additional questions, please contact The Standard toll-free at 1.877.757.4714.





## About Standard Insurance Company

Standard Insurance Company has earned a solid reputation for its quality products, expert resources, superior service, steady growth, innovation and strong financial performance. Founded in 1906, The Standard is a leader in the group disability and life insurance market, while also offering individual disability, group dental and retirement plans for groups and individuals.

Standard Insurance Company  
1100 SW Sixth Avenue  
Portland OR 97204

[www.standard.com](http://www.standard.com)

GP190-LIFE/S399, GP399-LIFE/TRUST

Group Voluntary Life and AD&D Insurance  
SI **10391-D-643197** (1/13)