

# Group Life Insurance

Answers To Your Questions About Coverage From The Standard



**INDIANA UNIVERSITY**





## About This Booklet

This booklet is designed to answer some common questions about the group Life Insurance Plan being offered by Indiana University to eligible employees. It is not intended to provide a detailed description of the coverage.

Insured employees may obtain a certificate of coverage from their campus Human Resources Office. The certificate contains 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 (The Standard). Neither the certificate nor the information presented in this booklet modifies the group policy or the insurance coverage in any way. If you have questions, please contact your campus Human Resources office.



## Group Life Insurance

Indiana University's Life Insurance Plan consists of group term life insurance. Term life insurance pays a benefit when a death occurs while the eligible employee or eligible retiree is covered; it does not retain cash value after coverage ends. This coverage is underwritten by The Standard.

Basic Life and Accidental Death and Dismemberment (AD&D) coverage is provided by Indiana University to all eligible employees at no cost to you. Eligible employees may also choose Optional Life insurance. This coverage is optional and purchased by the employee through payroll deduction.

Optional Life insurance allows you to increase your level of life insurance to better fit your lifestyle and the people you share it with. The advantages of Optional Life insurance 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 coverage require evidence of insurability.
- **Convenience.** With premiums deducted directly from your paycheck, you don't have to worry about mailing monthly payments.

### Commonly Asked Questions

The following information provides details to give you a better understanding of group Basic and Optional Life insurance available from The Standard.

#### Am I eligible for this coverage?

To be eligible for this plan:

- You must be an active full-time appointed employee of Indiana University; or
- An employee with retiree status as designated by Indiana University.

The years of service requirement will be prorated for ages that fall between the ages that are listed in the above table.

At ages 60, 61 and 62, employees covered by the PERF retirement plan on the date of termination shall qualify with at least 15 years of Indiana University service.

Active employees who are covered under Basic Life insurance are eligible to apply for Optional Life insurance.

Eligible retirees and dependents are not eligible for AD&D benefits.





### **What is the active work requirement?**

Active work means performing with reasonable continuity, for wages that are paid regularly by Indiana University, the material duties of your own occupation at your employer's usual place of business or at any alternative place of business required by Indiana University. For purposes of becoming eligible for insurance, becoming insured and increasing insurance, actively at work will include regularly scheduled days off, holidays or vacation days, as long as the employee is capable of active work on those days and was actively at work on the last day the employee was required to be at the workplace.

### **What is Evidence of Insurability?**

If you apply for Optional Life insurance within 30 days of becoming eligible 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 written election is given more than 30 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. 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 never required for your spouse or eligible children.

Evidence of insurability is also required for reinstatement of terminated coverage.

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

The effective date of your coverage depends on when you become an eligible member and whether you are required to provide evidence of insurability.

**Basic Life Insurance:**

If you are an eligible employee, your Basic Life coverage becomes effective on the date you become eligible, usually your date of hire, provided you meet the active work requirement on that date.

**Optional Life Insurance:**

Eligible employees may enroll in any level of Optional Life insurance within 30 days of first becoming eligible, provided written election to Indiana University is given within that time period.

Employees currently enrolled in this plan may elect to increase coverage at any time, however evidence of insurability will be required. You may choose to decrease or terminate your Optional Life coverage at any time. If you terminate coverage, evidence of insurability will be required for reinstatement.

If you are not required to provide evidence of insurability, Optional Life coverage becomes effective on the date you become eligible, if written election is given to Indiana University within 30 days of becoming eligible.

If you are required to provide evidence of insurability, Optional 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. If an employee is incapable of active work on the date insurance is to begin, it will not become effective until the day after the employee has completed one full day of active work.

**How much Basic Life coverage may I get for myself?**

Indiana University provides you with Basic Life with AD&D insurance, at no cost to you. The coverage amount you will receive is equal to the amount shown in the table below:

| Active Member       | Basic Life   | Basic AD&D                               |
|---------------------|--|--|
| Under the age of 70 | 2 times your Annual Earnings*<br>to a maximum amount of \$50,000   | Equal to your Basic Life coverage amount |
| 70 or older         | 1.3 times your Annual Earnings*<br>to a maximum amount of \$50,000 |  |

\*reduced to the next multiple of \$1,000

| Retiree Member   | Basic Life | Basic AD&D     |
|--|------------|----------------|
| Eligible retirees who terminated on or after January 1, 2003 | \$6,000    | Not applicable |





## How much Optional Life coverage may I get for myself?

Eligible employees may choose Optional Life Insurance. This coverage is optional and purchased by you through payroll contributions. The amount of Optional Life coverage you will receive is equal to a multiple of your annual earnings, reduced to the next multiple of \$1,000. You may elect Optional Life coverage within the guidelines below:

|                 | Coverage Amount              | Guarantee Issue Amount | Maximum     |
|-----------------|------------------------------|------------------------|-------------|
| <b>Option 1</b> | 1 times your Annual Earnings | \$50,000               | \$250,000   |
| <b>Option 2</b> | 2 times your Annual Earnings | \$100,000              | \$500,000   |
| <b>Option 3</b> | 3 times your Annual Earnings | \$150,000              | \$750,000   |
| <b>Option 4</b> | 4 times your Annual Earnings | \$200,000              | \$1,000,000 |

If you want to become insured for an amount of Optional Life insurance above the guarantee issue amount, the excess will require evidence of insurability. All late applications (applying 30 days after becoming eligible) and requests for coverage increases are also subject to evidence of insurability. Coverage is subject to medical underwriting approval by The Standard.

## Is Accidental Death and Dismemberment (AD&D) coverage also included?

Basic AD&D insurance is included for active employees, with no cost to you. With AD&D coverage, you or your beneficiaries may be eligible to receive an additional amount in the event of death or dismemberment as a result of an accident.

The amount of the Basic AD&D insurance is equal to the amount of your Basic Life insurance.

The amount of AD&D insurance benefit for covered losses is a percentage of the full amount of the AD&D insurance in effect on the date of the accident, as shown below:

| Loss:                                    | Percentage Payable: |
|--|---------------------|
| Life                                     | 100 %               |
| Hand severed at or above the wrist       | 50 %                |
| Foot severed at or above the ankle       | 50 %                |
| Permanent loss of sight in one eye       | 50 %                |
| More than one of the losses listed above | 100 %               |

The loss must occur due to an accident and independently of all other causes, within 365 days after the accident. Loss of life must be evidenced by a certified copy of the death certificate. All other losses must be certified by a physician in the appropriate specialty as determined by us.

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

If you are an active employee and insured for Basic Life insurance, Indiana University also provides you with family coverage for your spouse and eligible child(ren), at no cost to you. You do not need to take any action to insure your eligible dependents for this coverage.

The Basic Dependents Life coverage amount you will receive is equal to the amount shown in the table below:

|            | Basic Dependents Life         | Basic Dependents AD&D |
|------------|-------------------------------|-----------------------|
| Spouse     | \$3,000                       | Not applicable        |
| Child(ren) | \$1,000 (each eligible child) | Not applicable        |

A spouse means a person to whom you are legally married as recognized by law. Child means your child from live birth through age 25. Dependents are eligible on the later of the day the employee becomes eligible or the day they become dependents.

## May I purchase additional coverage for my dependents?

If you are an eligible active employee and enrolled in Optional Life insurance through The Standard, you may elect Optional Life insurance for your eligible dependents. This coverage is optional and purchased by you through payroll deductions.

|            | Optional Dependents Life                                | Optional Dependents AD&D |
|------------|---|--------------------------|
| Spouse     | Your choice of \$10,000, \$20,000, \$30,000 or \$45,000 | Not applicable           |
| Child(ren) | \$10,000 (each child)                                   | Not applicable           |

The amount of your Optional Dependents Life insurance may not exceed 100 percent of the amount of your combined Basic Life and Optional Life insurance.





### How much is Optional Life coverage?

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

| Employee age     | Rate per \$1,000 of total coverage |
|------------------|------------------------------------|
| Age 29 and under | \$0.03                             |
| Age 30 to 34     | \$0.04                             |
| Age 35 to 39     | \$0.05                             |
| Age 40 to 44     | \$0.06                             |
| Age 45 to 49     | \$0.09                             |
| Age 50 to 54     | \$0.14                             |
| Age 55 to 59     | \$0.24                             |
| Age 60 to 64     | \$0.37                             |
| Age 65 to 69     | \$0.67                             |
| Age 70 and above | \$1.20                             |

To calculate your monthly premium

$$\begin{array}{ccccccc}
 \$ \underline{\hspace{2cm}} & \div & \$1,000 & = & \underline{\hspace{2cm}} & \times & \$ \underline{\hspace{2cm}} & = & \$ \underline{\hspace{2cm}} \\
 \text{Amount of Optional} & & & & & & \text{Premium rate} & & \text{Your monthly} \\
 \text{elected for self*} & & & & & & \text{from above chart} & & \text{cost}
 \end{array}$$

\*reduced to the next multiple of \$1,000, up to the guarantee issue amount or max coverage amount elected



## How much is Optional Dependents Life coverage?

If you elect Optional Dependents Life insurance for your spouse, your monthly rate for this plan is indicated in the table below. Premiums for this coverage will be deducted directly from your paycheck.

| Benefit Amount | Monthly Rate per member |
|----------------|-------------------------|
| \$10,000       | \$2.00                  |
| \$20,000       | \$4.00                  |
| \$30,000       | \$6.00                  |
| \$45,000       | \$9.00                  |

| Benefit              | Monthly Rate per member   |
|----------------------|---|
| Child Rate: \$10,000 | \$2.00 per month, per family, regardless of the number of children in your family unit. |

## How do I apply for Optional Life insurance coverage?

To apply for Optional Life insurance, you must give written election within 30 days after the date you become eligible. You can elect coverage via online self-service. You can apply at any time, but remember if you apply more than 30 days after becoming eligible, satisfactory evidence of insurability is required. Coverage subject to evidence of insurability is not effective until approved by The Standard.

## How are benefits paid?

For 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, reductions in insurance amounts will be made when an employee's attained age changes. If you are an active full-time employee, other than a full-time senior executive, at age 70 or older, the amount of Basic Life Insurance will be equal to the employee's annual wage multiplied by 1.3, up to a maximum of \$50,000. For all other members, coverage is not subject to age reductions.



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

If you become totally disabled and can't work, The Standard will provide you a Waiver of Premium Benefit, which allows your Life insurance coverage to continue without premium payments, if you meet the following:

- Become totally disabled while insured under the group policy
- Are under the age of 70
- Complete the waiting period of 6 consecutive months
- Provide The Standard with satisfactory proof of total disability

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

Insurance continued under the waiver of life insurance premium benefit will cease on the earliest of the following events:

- The date the employee ceases to be totally disabled
- The date the employee becomes age 70, unless continued as a retired employee
- The date the employee fails to give proof of continuous total disability, as required

Insurance will not be affected by termination or amendment of the group policy after the employee becomes totally disabled.

## What is permanent and total disability?

If you become permanently and totally disabled, you will be eligible to apply for a permanent and total disability (PTD) benefit paid in monthly installments. It will equal \$18 per \$1,000 of Basic Life Insurance for which you were insured at the start of disability and continue for a maximum payment period of 60 months. Disability must have begun before you became age 60 while insured under the group policy and you must have been insured for 12 consecutive months prior to the start of the disability. The PTD benefit applies to the first \$20,000 of Basic Life Insurance and is a taxable benefit under current federal tax laws.

## What is the Accelerated Benefit?

If an employee has a terminal illness in which life expectancy is 12 months or less, and the employee meets other requirements, the employee may elect to accelerate the payment of group Life Insurance in advance of death. The employee may elect to receive up to 100 percent of the group Life Insurance for which the employee is insured. This benefit allows the employee to use the proceeds as desired — whether to cover medical expenses or to help maintain quality of life. The amount of group Life Insurance payable upon death is then reduced by the accelerated benefit paid. The Accelerated Benefit is not available for your dependents.

## What are the exclusions?

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

AD&D insurance benefits are not payable for death or dismemberment caused or contributed to by:

- War or act of war, declared or undeclared, whether civil or international, and any substantial armed conflict between organized forces of a military nature
- Suicide or other intentionally self-inflicted injury while sane or insane
- Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot
- Voluntary use or consumption of alcohol or being under the influence of a narcotic, unless used or consumed according to the directions of a Physician
- A disease or illness of any kind, or medical or surgical treatment of these; ptomaine or bacterial infection, except infection as a result of an accidental cut or wound
- Heart attack or stroke

## When does coverage end?

Life coverage ends automatically on the earliest of the following:

- The date the group policy terminates
- The date the group policy is changed to terminate coverage on the class of employees to which an employee belongs
- The date the last period ends for which a premium was paid for insurance
- The date an employee stops active work in an eligible class; however, insurance may continue for limited periods under certain circumstances

If an employee is no longer actively at work due to a leave of absence or other absence, contact the Human Resources Office for information about options available under the group policy for insurance to continue during a leave of absence.

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

- The date Dependents Life Insurance terminates under the group policy for the class of employees to which the employee belongs
- The date the last period ends for which a premium was paid for Dependents Life Insurance
- The date the dependent ceases to be an eligible dependent
- The date the employee becomes an eligible retiree
- The date group Life Insurance ends for the employee

AD&D insurance for you will automatically end on the earliest of the following:

- The date your Group Life insurance ends
- The date your Waiver of Premium begins
- The date the AD&D insurance terminates under the group policy
- The date the last period ends for which a premium was paid for your AD&D insurance
- The date your employment terminates







### **If my life insurance ends or is reduced, may I continue coverage?**

If your Life insurance from The Standard ends or is reduced for any reason other than failure to pay premiums, you may be able port or convert your coverage, without providing evidence of insurability.

Portability allows eligible insured employees to “port” (or buy) Group Life insurance coverage because their employment is being voluntarily or involuntarily terminated.

Conversion allows eligible insured employees to convert some or all of their Group Life coverage to an individual whole Life insurance policy when their coverage is reduced or terminated for any reason other than non-payment of premiums.

Please visit your campus Human Resources Office for additional information.

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

If you have any additional questions, please contact your campus Human Resources Office.



For more than 100 years we have been dedicated to our core purpose: to help people achieve financial security so they can confidently pursue their dreams. We have earned a national reputation for quality products and superior service by always striving to do what is right for our customers.

Headquartered in Portland, Oregon, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance. We provide insurance to more than 25,500 groups covering nearly 8.4 million employees nationwide.\* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

To learn more about The Standard visit us at **[www.standard.com](http://www.standard.com)**. For more information on Group Additional Life Insurance from The Standard, contact your human resources department.

\* As of June 30, 2012, based on internal data developed by Standard Insurance Company.

Standard Insurance Company  
1100 SW Sixth Avenue  
Portland OR 97204

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

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