

Group Additional Life and Accidental Death and Dismemberment Insurance

For Active Members of New Mexico Public Schools Insurance Authority
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 Additional Life and Accidental Death and Dismemberment (AD&D) 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 (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 additional questions, please contact your benefits office.

Group Additional 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. Your employer provides you with a basic amount of Group Life insurance from The Standard 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 Additional 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. (Elective 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.
- **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 Additional Life and AD&D insurance available from The Standard.

Am I eligible for this coverage?

To be eligible for this plan you must be:

- Insured for basic Group Life coverage with The Standard;
- An active employee of a New Mexico Public Schools Insurance Authority (NMPSIA) participating employer; and
- Regularly working at least the minimum number of hours per week required by your employer.

Substitute, temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors are not eligible.

Your spouse or children must not be full-time members of the armed forces of any country.



When does my insurance go into effect?

The effective date of your coverage depends on when you become an eligible member, when 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 Additional Life coverage becomes effective on the first day of the calendar month following the date your Employer begins payroll deductions for your coverage.

If you are required to provide evidence of insurability, if you apply and agree to pay premiums in writing, your Additional Life coverage becomes effective on the first day of the calendar month next following 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 being able to perform all of the normal duties of your job at your employer's usual place of business.

If you are not actively at work on the scheduled effective date of your insurance, your insurance (including Dependents Life insurance and any increases in coverage) will not become effective until the day you return to active work as an eligible employee.

How much coverage may I get for myself?

If your employer chooses to offer Additional Life coverage, you may elect an amount equal to 1, 2, or 3 times your annual earnings, to maximum of \$600,000.

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

This plan also includes AD&D insurance from The Standard. With Additional Life and AD&D insurance, 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 this AD&D insurance benefit for loss of life is equal to the amount payable for the Additional Life insurance benefit on the date of the accident.



The amount of this AD&D insurance benefit for other covered losses is a percentage of the amount payable for the Additional AD&D benefit on the date of the accident, as shown below:

| Loss: | Percentage Payable: |
|--|---------------------|
| Loss of Life ¹ | |
| One hand or one foot ² | 50% |
| Sight in one eye, speech or hearing in both ears. | 50% |
| Two or more of the losses listed above | 100% |
| Thumb and index finger on the same hand ³ | 25% |
| Quadriplegia | 100% |
| Hemiplegia | 50% |
| Paraplegia. | 75% |
| Coma ⁴ | 2% |

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.

¹ Including loss of life by accidental exposure to adverse weather conditions or disappearance if the disappearance is caused by an accident that could have reasonably resulted in your death.

² Even if the severed part is surgically re-attached. This benefit is not payable if an Additional AD&D benefit is payable for Quadriplegia, Hemiplegia, or Paraplegia involving the same hand or foot.

³ This benefit is not payable if an Additional AD&D benefit is payable for the loss of the entire hand.

⁴ Payments for coma will not exceed a maximum of 50 months.



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

If your employer chooses to offer Additional Life insurance and you are insured for Additional Life coverage, you may also elect Dependents Life insurance from The Standard.

- For your spouse the benefit amount is the lesser of (a) 50 percent of the amount of your Additional Life insurance, or (b) 1 times your annual earnings. Your annual earnings will be rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000.
- For your child the benefit amount is \$5,000.

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 Additional Life insurance you might want to consider applying for to meet your obligations. Once you determine how much coverage you need, complete the Enrollment Form within your enrollment packet and submit it to your benefits office.

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

How much will coverage cost me?

Visit **www.nmpsia.com** for information about rates. Premiums for coverage will be deducted directly from your paycheck.

Will I have to provide information regarding my medical history?

If you apply for Additional Life insurance within 31 days of becoming eligible to apply and meet the active work requirement, you will automatically qualify for up to the guarantee issue amount of \$500,000. You will not have to answer medical questions to purchase the coverage.

If you apply more than 31 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.

How do I apply for Additional Life insurance coverage?

To apply for Additional Life insurance, complete the Enrollment Form, place it in a confidential envelope and submit it to your benefits office. You can apply at any time, but remember if you apply more than 31 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 your insurance will not be reduced because of your age.

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

The Standard will continue your Additional Life and Dependents 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 AD&D insurance.

What happens if I become terminally ill?

Under the Accelerated Benefit provision, you may be eligible to receive up to 75 percent, or a maximum of \$500,000, of your Life insurance benefit if you become terminally ill, have a life expectancy of less than 12 months and meet other eligibility requirements. You and your spouse must have at least \$10,000 of insurance in effect to be eligible.

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 over time.

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

The Standard pays an additional benefit, the Repatriation Benefit, if you die more than 150 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.

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.¹

Life Services Toolkit: This benefit provides online tools and services that can help the employee create a will, make advance funeral plans and put their finances in order. After a loss, beneficiaries can consult experts by phone or in person, and obtain other helpful information online.

The AD&D coverage includes the following additional benefits when an AD&D insurance benefit is payable:

Seat Belt Benefit. The Seat Belt Benefit provision provides an additional benefit in the event you die as a result of an automobile accident and you were properly wearing and using a seat belt system.

¹ Travel Assistance is provided through an arrangement with Generali Global Assistance, which is not affiliated with The Standard.

Air Bag Benefit. The Air Bag Benefit provides an additional benefit in the event you die as a result of an automobile accident for which a Seat Belt Benefit is payable and the automobile is equipped with an air bag system which deployed as evidenced by a police accident report and you were seated in the driver's or passenger's seat intended to be protected by the air bag system.

Family Benefits Package. The Family Benefits Package includes the Child Care Benefit, Higher Education Benefit and Career Adjustment Benefit. It provides your eligible family members with additional financial help for childcare, college or career training.

Occupational Assault. The Occupational Assault provision provides an additional benefit if you suffer death or dismemberment as a result of an act of workplace physical violence that is punishable by law.

Public Transportation. The Public Transportation provision provides an additional benefit in the event of death as a result of an accident that occurs while you are riding as a fare-paying passenger on public transportation.

Line of Duty Benefit. The Line of Duty Benefit provision provides an additional benefit for public safety officers who suffer death or dismemberment in an accident while acting in the line of duty.

What are the exclusions?

Additional Life and Dependents Life insurance includes an exclusion for death resulting from suicide or other intentionally self-inflicted injury. 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
- Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot
- Voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a physician
- Sickness or pregnancy existing at the time of the accident
- Heart attack or stroke
- Medical or surgical treatment for any of the above

When does coverage end?

Coverage ends automatically on the earliest of the following:

- The last date the last period ends for which a premium was paid
- The date you cease to meet the eligibility requirements (coverage may continue for limited periods under certain circumstances)
- The date the group policy, or your employer's coverage under the group policy, terminates

- For each elective insurance coverage, the date that coverage terminates under the group policy
- For Additional AD&D insurance for you, the date your Additional Life insurance ends

In addition to the above requirements, your Dependents Life coverage ends automatically on the date your dependent ceases to meet the eligibility requirements for a dependent.

For more details on when insurance ends, contact your benefits office.

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

If your Additional 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 60 days after group coverage ends or is reduced. AD&D coverage may not be converted under this provision.

May I buy group 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. You must be insured for at least 12 consecutive months, be less than age 65 and not be disabled. You must apply for portability and pay the required premium within 60 days after the date your insurance under the group policy ends. Please see your benefits representative for additional information.

What if I have additional questions?

If you have any additional questions, please contact your benefits 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 23,000 groups covering nearly 6 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**. For more information on Group Additional Life Insurance from The Standard, contact your human resources department.

* As of September 30, 2014, based on internal data developed by Standard Insurance Company.

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GP190-LIFE/S399, GP399-LIFE/TRUST,
GP899-LIFE, GP190-LIFE/A997/S399

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