

Retiree Basic and Additional Life Insurance

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 Retiree Life insurance coverage being offered by New Mexico Retiree Health Care Authority (NMRHCA) to eligible retirees. It is not intended to provide a detailed description of the coverage.

If 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 modify the group policy or the insurance coverage in any way. If you have additional questions, please contact your NMRHCA benefits office, visit https://www.standard.com/mybenefits/newmexico_rhca/ or call 1-888-609-9763.

Retiree Life Insurance Features

The time you spend with your family is priceless, and you wouldn't trade those special moments together for anything in the world. But what would happen if you suddenly died?

Would they have the funds to pay bills, your home mortgage, burial and funeral expenses? Would they be able to live on one income and maintain their current lifestyle? What about medical expenses associated with a terminal illness? Would your family be financially prepared? By sponsoring group Retiree Life insurance from Standard Insurance Company, NMRHCA offers you an excellent opportunity to help protect your loved ones.

The advantages to you and your family 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.
- **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 Retiree Life insurance available from The Standard. Written in non-technical language, this is not intended as a complete description of the coverage.

Am I Eligible For This Coverage?

To be a member and eligible for the Retiree Life coverage, you must be:

- A retiree who participates under the New Mexico Retiree Health Care Authority.
- A Spouse, Domestic Partner, or Child of a deceased eligible (but not insured under the Group Policy) retiree who is receiving a survivor's pension benefit.

You are not a member if you are a leased employee, an independent contractor, or a full-time member of the armed forces of any country.

For your spouse or dependent to be eligible for coverage, they must not be full-time members of the armed forces of any country.

Class Definitions

- Class 1: Eligible retirees who retired prior to January 1, 2012
- Class 2: Eligible retirees who retired on or after January 1, 2012
- Class 3: Spouses, Domestic Partners, and Children of a deceased eligible (but not insured under the Group Policy) retiree who are receiving a survivor's pension benefit

Note: You may not be eligible under more than one Class.





When Does My Insurance Go Into Effect?

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

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

For Classes 1 and 2:

- The first day of the following month, coinciding with the date you become eligible, if you apply on or before that date.
- The first day of the following month, coinciding with the date you become eligible, if you apply within 31 days after becoming eligible.

For Class 3:

- The first day of the following month, coinciding with the date you apply.

If you **are** required to provide evidence of insurability, if you apply and agree to pay premiums, your Retiree Life coverage becomes effective on the the first day of the following month, coinciding with the date The Standard approves your evidence of insurability.

Late application:

For Classes 1 and 2: Evidence of insurability is required if you apply more than 31 days after you become eligible.

For Class 3: Late application is not applicable.

How Much Coverage May I Get For Myself?

A Class 1 retiree, who retired prior to January 1, 2012 with continuous medical coverage enrollment with NMRHCA, is enrolled for the \$6,000 Basic Life coverage.

For Classes 1 and 2:

You may elect one of the following options of Retiree Life coverage:

- Option 1: \$2,000
- Option 2: \$4,000
- Option 3: \$6,000
- Option 4: \$8,000
- Option 5: \$10,000
- Option 6: \$15,000
- Option 7: \$20,000
- Option 8: \$40,000
- Option 9: \$46,000
- Option 10: \$60,000

You must provide satisfactory evidence of insurability for late applications and requests for coverage increases.

For Class 3:

You may elect one of the following options of Retiree Life coverage:

- Option 1: \$2,000
- Option 2: \$4,000
- Option 3: \$6,000
- Option 4: \$8,000
- Option 5: \$10,000

Increases in Retiree Life coverage are not allowed.

See your NMRHCA benefits office regarding coverage options to add amounts greater than the guarantee issue amount of \$10,000 without providing satisfactory evidence of insurability and if you meet certain conditions, if enrolled for life insurance under a group life insurance policy issued by The Standard to Albuquerque Public Schools, New Mexico Public Schools Insurance Authority or State of New Mexico General Services Department.

**May I Get Coverage For My Dependents?****For Classes 1 and 2:**

You may elect one of the following options of Dependents Life coverage for your spouse:

- Option 1: \$2,000
- Option 2: \$4,000
- Option 3: \$6,000
- Option 4: \$8,000
- Option 5: \$10,000
- Option 6: \$15,000
- Option 7: \$20,000
- Option 8: \$40,000
- Option 9: \$46,000
- Option 10: \$60,000

The amount of Dependents Life insurance for your spouse may not exceed 100 percent of your Life coverage.

Your spouse must provide satisfactory evidence of insurability for late applications and requests for coverage increases.

See your NMRHCA benefits office regarding coverage options to add amounts greater than the guarantee issue amount of \$10,000 for your spouse, without your spouse providing satisfactory evidence of insurability and if you meet certain conditions, if enrolled for dependent life insurance under a group life insurance policy issued by The Standard to Albuquerque Public Schools or New Mexico Public Schools Insurance Authority.



You may also elect one of the following options of Dependents Life insurance for your eligible children:

- Option 1: \$2,500
- Option 2: \$5,000
- Option 3: \$10,000

This amount may not exceed 100 percent of your Life coverage.

Evidence of insurability is never required for a child.

In the event of your death, your surviving spouse and surviving child may continue the amount of coverage for which he/she was insured on the date of your death, if your surviving spouse or your surviving child's legal guardian applies in writing and agrees to pay premiums as soon as possible, but not later than 270 days after your death.

For Class 3:

If you are the spouse or domestic partner of a deceased eligible retiree and you become insured for Survivor Life coverage, you may elect one of the following options of Dependents Life insurance for your children:

- Option 1: \$2,500
- Option 2: \$5,000
- Option 3: \$10,000

This amount may not exceed 100 percent of your Life coverage.

Increases in Dependents Life insurance for your child are not allowed.

If you die while insured under Survivor Life insurance and your children are insured under Dependents Life Insurance, your children may continue the same amount of Dependents Life coverage in place at the time of your death if your surviving child or surviving child's legal guardian applies in writing and agrees to pay premiums as soon as possible, but not later than 270 days after your death.

Will I Have To Provide Information Regarding My Medical History?

For Classes 1 and 2:

If you apply for Retiree Life insurance within 31 days of becoming eligible to apply, 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 more than 31 days after becoming eligible to apply, satisfactory evidence of insurability is required. You will need to complete an NMRHCA Change Request form to apply and submit a Medical History Statement. In some cases, we may request additional medical information or a physical exam.

If you determine that you need more insurance than the guarantee issue amount, satisfactory evidence of insurability may be required. See your NMRHCA benefits office.

Evidence of insurability is also required for reinstatement of terminated coverage under certain conditions; see your NMRHCA benefits office.

For Class 3:

You are not subject to late application, and you may not increase the amount of coverage you initially elect.



How Much Coverage Do I 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 total is the amount of Retiree 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, place it in a confidential envelope and submit it to your NMRHCA 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 Available Resources		
Add together all of your available resources.	\$ _____	\$ _____
Total Life Insurance Needed		
Subtract the amount of your available resources from your total income needs.	\$ _____	\$ _____



How Are Benefits Paid?

Our goal is to make a determination on Life insurance claims within six business days of receipt in our home office and, when appropriate, make a payment within one business day of our approval. Depending upon the approved claim amount, The Standard may either issue a check to your designated beneficiary as a lump-sum payment or deposit the funds into a Standard Secure Access account.

With Standard Secure Access—a convenient, no fee, interest-bearing draft account, 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 Retiree Life and Dependents Life coverage will not be reduced because of your or your spouse's age.



What Happens If I Become Terminally Ill?

For Classes 1 and 2 only:

Under the Accelerated Benefit provision, you may be eligible to receive up to 75 percent, or a maximum of \$25,000, of your Retiree 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 Retiree 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 Retiree 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 The Retiree Life Insurance 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.

Life Services Toolkit: Comprehensive online tools and services can help the retiree create a will, make advanced 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 for up to 12 months after the date of death.

When Does Coverage End?

Retiree Life coverage ends automatically on the earliest of the following:

- The date the last period ends for which you made a premium contribution
- For Class 1 members who are insured for Basic Life insurance, the date your Basic Life insurance ends
- The date the group policy terminates or is amended to terminate coverage for your class
- The last day of the month in which you cease to be a member
- For Class 3, the last day of the month in which The Standard receives your request in writing to cancel your Life insurance

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

- For Classes 1 and 2: Five months after the date you die (no premiums will be charged for your Dependents Life insurance during this time). However, for a surviving spouse or surviving child, Dependents Life insurance will continue with premium payment until the surviving spouse dies or the surviving child is no longer eligible for insurance as a surviving child.
- For Class 1 members who are insured for Basic Life insurance, the date your Basic Life insurance ends
- The date your Additional Life insurance ends
- The date the group policy terminates, or the date Dependents Life insurance terminates under the group policy
- The date the last period ends for which you made a premium contribution
- For any dependent, the last day of the month in which the dependent ceases to be an eligible dependent
- For your spouse, the last day of the month following your divorce or termination of your domestic partner relationship
- For a child who is disabled, 90 days after we mail you a request for proof of disability, if proof is not given
- For Class 3, the last day of the month in which we receive your request in writing to cancel your Dependents Life insurance

If My Retiree Life Or Dependents Life Insurance Ends Or Reduces, May I Convert It To An Individual Policy?

If your Retiree Life or Dependents Life insurance from The Standard ends or reduces due to a qualifying event, the Right to Convert provision allows you to convert your Retiree Life or Dependents Life coverage to certain types of Individual Life insurance policies without having to provide evidence of insurability. You must apply for conversion and pay the required premium within 31 days after the date of any qualifying event.

How Much Will The Retiree Life Coverage Cost?

The monthly premium rates for the group Retiree Life coverage are indicated in the table below.

Retiree's age as of January 1 of the current year	Monthly Premium rate per \$1,000 of Retiree Life coverage
Age 29 and under	\$0.099
Age 30 to 34	\$0.099
Age 35 to 39	\$0.099
Age 40 to 44	\$0.159
Age 45 to 49	\$0.267
Age 50 to 54	\$0.465
Age 55 to 59	\$0.771
Age 60 to 64	\$0.940
Age 65 to 69	\$1.928
Age 70 and above	\$2.956

To calculate the monthly premium for your Retiree Life coverage, use the rates above and the formula below:

1. Enter amount of Retiree Life coverage elected on Line 1.	Line 1: \$ _____
2. Divide the amount on Line 1 by 1,000 and enter on Line 2.	Line 2: \$ _____
3. Find your rate in the rate table and enter on Line 3.	Line 3: \$ _____
4. Multiply Line 2 by the amount shown on Line 3.	Line 4: \$ _____
5. Add \$.50 for the NMRHCA Administration Fee to Line 4.	Line 5: \$ _____

The amount shown on Line 5 is your estimated monthly premium.

How Much Will The Dependents Life Coverage Cost For My Spouse And Children?

The monthly premium rates for spouse coverage under the group Dependents Life plan are indicated in the table below.

Spouse's age as of January 1 of the current year	Monthly Premium rate per \$1,000 of Dependents Life coverage
Age 29 and under	\$0.099
Age 30 to 34	\$0.099
Age 35 to 39	\$0.099
Age 40 to 44	\$0.159
Age 45 to 49	\$0.267
Age 50 to 54	\$0.465
Age 55 to 59	\$0.771
Age 60 to 64	\$0.940
Age 65 to 69	\$1.928
Age 70 and above	\$2.956

To calculate the monthly premium for your spouse's Dependents Life coverage, use the rates above and the formula below:

1. Enter amount of Dependents Life coverage elected on Line 1.	Line 1: \$ _____
2. Divide the amount on Line 1 by 1,000.	Line 2: \$ _____
3. Find your spouse's rate in the rate table and enter on Line 3.	Line 3: \$ _____
4. Multiply Line 2 by the amount shown on Line 3.	Line 4: \$ _____
5. Add \$.50 for the NMRHCA Administration Fee to Line 4.	Line 5: \$ _____

The amount shown on Line 5 is the estimated monthly premium for your spouse's Dependents Life coverage.

The monthly premium rates for child coverage under the group Dependents Life plan are \$3.625 for \$2,500, \$7.25 for \$5,000, and \$14.50 for \$10,000 of child coverage; regardless of the number of eligible children covered.*

*Add \$.50 for the NMRHCA Administration Fee.

How do I apply for Retiree Life insurance coverage?

To apply for Retiree Life insurance, complete the Enrollment Form in your enrollment packet, place it in a confidential envelope and submit it to your NMRHCA 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 (for Classes 1 and 2). Coverage subject to evidence of insurability is not effective until approved by The Standard.

What if I have additional questions?

If you have any additional questions, please contact your NMRHCA benefits office.



NMRHCA has chosen Standard Insurance Company to provide group Retiree Life coverage to eligible retirees. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

Just as others count on you, you can count on The Standard for Retiree Life insurance in a time of need. Talk with your NMRHCA benefits office for more information about group Retiree Life insurance from The Standard.

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Group Policy Form Numbers: GP190-LIFE, GP399-LIFE/TRUST