

C.4 Life Insurance

Date

6/24

A. **Group Term Life and Accidental Death and Dismemberment Insurance Plan**

The University provides a group term life and accidental death and dismemberment insurance plan to eligible employees.

Effective February 1, 1988, a revised schedule of life insurance benefits was offered and the program became mandatory for all new employees. The revised schedule offers coverage of one and one-half times annual salary, with maximum coverage of \$100,000, rounded up to the nearest \$1,000. Premium costs for term life and accidental death and dismemberment insurance are paid in full by the University.

The original plan, available to employees employed prior to February 1, 1988, offered coverage of two times annual salary with maximum coverage of \$100,000. For employees who elected to continue this original plan, premium costs for term life and accidental death and dismemberment insurance are shared by the University and employee. Employee contributions can be made on a pre-tax basis up to limits established by the IRS. Effective January 1, 2016, the University will pay the full premium for those active employees who remain in this original plan as of that date.

Both plans include accidental death and dismemberment coverage which may double the coverage in case of accidental death. Benefits may also be provided in cases of accidental dismemberment.

For employees who continue their employment beyond age 66, the group term life and accidental death and dismemberment insurance will reduce to 65 percent of the scheduled amount on January 1 following the attainment of age 66. Coverage will end on the last day worked. The life insurance plan provides for conversion or portability within 31 days of termination of employment.

Information about Group Term Life and Accidental Death and Dismemberment is available in the Human Resources Department.

Voluntary Term Life and Accidental Death and Dismemberment Insurance Plan

The University offers voluntary term life and accidental death and dismemberment insurance to eligible employees. Coverage is available for employees, spouses, and dependents. The entire cost of the insurance is paid by the employee. When an employee or spouse reach a new age which moves them into a new age bracket and premium schedule, the amount of compensation necessary to cover the increased premium cost will automatically be adjusted to reflect the change in the premium.

The plan provides coverage to employees in increments of \$10,000 to \$500,000 not to exceed eight times annual salary. New employees are eligible for up to \$250,000 without providing satisfactory evidence of good health, if application is made within 31 days of eligibility.

Coverage is available to spouses of eligible employees in increments of \$5,000 to \$200,000, not to exceed fifty percent of the employee's voluntary term life and accidental death and dismemberment insurance coverage amount. Spouses of new employees are eligible for up to \$50,000 (effective January 1, 2016) without providing satisfactory evidence of good health, if application is made within 31 days of eligibility.

Coverage also is available to dependents of eligible employees in increments of \$5,000 to \$10,000. Coverage is available for all dependents from live birth, and continues to age 26, if unmarried. Dependent term life insurance coverage has one premium rate that covers all eligible dependents.

Voluntary plans include accidental death and dismemberment coverage which may double the coverage in case of accidental death. Benefits may also be provided in cases of accidental dismemberment.

The amount of insurance reduces to 65 percent at age 65, 50 percent at age 70, and 25 percent at age 75. Coverage will end on the last day of the month in which the employee works. The life insurance program provides for both conversion and portability 31 days of termination of employment.

Information about the Voluntary Term Life and Accidental Death and Dismemberment Insurance is available in the Human Resources Department.