

Miami University Supplemental Life Insurance Program

Miami University currently provides life insurance at no cost to employees. Miami University is pleased to announce the opportunity to purchase additional life insurance coverage from The Group Life Insurance Plan underwritten by Liberty Mutual. This offers benefit-eligible employees the option to increase their level of Group Term Life Insurance coverage and purchase coverage for their spouse/partner and child(ren).

Miami University currently provides employees life insurance benefits equal to two times the employees' annual earnings at no cost. An amount equal to two times the employees' annual earnings of additional Accidental Death & Dismemberment (AD&D) benefits is also provided at no cost.

Why is the Supplemental Life Plan Offered?

In the event of premature death, many people want to provide money for loved ones to meet current and future obligations. Employer-provided life insurance may not be enough to meet their financial needs.

Therefore, in order to help meet life insurance needs, Miami University is providing a supplemental group life plan at low group rates with premiums paid through payroll deduction. Employees are able to get certain amounts of coverage without providing proof of good health.

How Much Life Insurance Do I Need?

Most financial planners suggest having life insurance coverage that is five to ten times the current annual salary. The following worksheet has been designed to help determine how much supplemental life insurance coverage is needed.

Yearly Financial Obligations:

| | |
|--|---------------|
| Housing Costs | \$ _____ |
| Car Payments, Insurance | \$ _____ |
| Credit Card Debt and Loans | \$ _____ |
| Health and Medical Insurance and Costs | \$ _____ |
| Family, Food, Clothing Costs | \$ _____ |
| Educational Needs, Tuition | \$ _____ |
| Other Expenses | \$ _____ |
| Total Financial Obligations: | \$ _____ |
| How long you would like to cover these expenses: | x _____ years |
| Total Need: | \$ _____ |

How Does the Plan Work?

Life insurance coverage may be purchased up to five times the base annual earnings in increments of \$10,000 up to a maximum of \$500,000. Amounts up to \$350,000 will be issued with no medical proof of insurability required.

In addition, employees may purchase spouse/partner life coverage in the amount of \$10,000, \$20,000, or \$30,000 and child(ren) life coverage in the amount of \$5,000 or \$10,000. Elected child coverage begins at birth and continues to 19 years of age or to age 25 if a full-time student.

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Beginning at age 65 coverage will reduce to 67% of the initial amount, at age 70 coverage will reduce to 45% of the initial amount, at age 75 coverage will reduce to 30% of the initial amount, and at age 80 coverage will reduce to 20% of the initial amount. Premiums are payroll deducted on a post-tax basis.

Is the Supplemental Life Plan Voluntary?

Yes, since the cost of the additional insurance is to be paid by the employee, participation is not mandatory.

Do I Need to Answer Health Questions Before I am Covered?

New employees to Miami University, during their first 30 days of employment may enroll for supplemental life insurance coverage up to the amount of \$350,000. Proof of good health (evidence of insurability) for elected amounts higher than \$350,000 must be provided before coverage takes effect. There is no proof of insurance necessary for spouse/partner life or child(ren) life coverage.

During the one-time open enrollment period in February 2007, a current Miami University employee may enroll for coverage. An employee may elect coverage amounts up to \$350,000 supplemental life insurance without providing proof of good health. Proof of good health (evidence of insurability) is required for elected amounts higher than \$350,000 before coverage takes effect.

Evidence of insurability application forms may be requested through Benefit Services or by visiting www.muohio.edu/benefits and click on **Liberty Mutual Enhanced Voluntary Employee Benefits**. Upon completion, mail the forms to:

Liberty Mutual
Attn.: Group Underwriting Department -- Andrea Howard
P.O. Box 1525
Dover, NH 03821-1525

Employees will be advised if their coverage is approved or denied. If approved, coverage will be effective the first payroll period following approval of the application.

Can I Refuse Coverage Now and Enroll Later?

Yes, with restrictions. If an employee does not elect to participate during the initial open enrollment period, they will not be permitted to enroll until the benefit enrollment period in October 2007. The employee must provide proof of good health (evidence of insurability) for elected amounts higher than \$350,000 before coverage takes effect.

What Other Benefits are Included?

A waiver of premium is provided to pay for insurance up to age 65 while an employee is totally disabled, as long as disability commences before age 60 and lasts longer than 9 months. Accelerated Death Benefits allow the employee to advance-collect roughly 50% of their life insurance coverage amount up to a maximum of \$600,000 (basic and supplemental combined) if their life expectancy is 12 months or less.

Can I Purchase Additional Coverage Later?

Yes, with restrictions. If an employee is already enrolled in the supplemental life plan, they may elect additional multiples of salary [or dollar increment for spouse/partner and child(ren)] at each annual enrollment in October. This may be done without providing proof of good health unless the new amount exceeds \$350,000 for employees. An employee may also apply for amounts above \$350,000 by providing proof of good health during the annual enrollment period in October 2007. The employee must complete a new enrollment form for all changes.

