



# Miami University Supplemental Life Program

Miami University is pleased to offer each benefit-eligible employee the option to increase his/her level of Group Term Life Insurance coverage and purchase coverage for your Spouse and Child(ren). The Group Life plan is underwritten by Liberty Mutual.

Miami University currently provides you LIFE benefits equal to two times your annual earnings to a maximum of \$700,000 (Basic Life Coverage) at no cost to you. An amount equal to two times your annual earnings to a maximum of \$1,200,000 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 such as rent/mortgages, automobile loans, children’s college education as well as everyday living expenses. Employer-provided Life insurance may not be enough to meet your financial needs.

Therefore, in order to help you meet your life insurance needs, Miami University is providing a Supplemental Group Life plan at low group rates with premiums paid by convenient payroll deduction. Also, because it’s a group plan, you are able to get certain amounts of coverage without providing proof of good health.

## How Much Life Insurance Do I Need?

Most financial planners say you should protect your family with 5x to 10x your current annual salary in Life insurance. The following worksheet has been designed to help you determine how much Supplemental Life insurance coverage you might need.

### **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?

### **Voluntary Group Term Life Insurance**

#### **Employee Benefits**

You may purchase additional amounts of life insurance coverage in increments of \$10,000 up to 5x your annual salary to a maximum of \$500,000. If not a multiple of \$10,000, this amount will be rounded to a multiple of \$10,000 to a maximum of 5x your salary or \$500,000, whichever is lower.

## **How Does the Plan Work? (continued)**

Your annual salary is your basic annual earnings. It does not include bonuses, overtime or any other form of compensation. 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 and up coverage will reduce to 20% of the initial amount. Premiums are deducted from your paycheck on a post-tax basis.

### **Dependent Benefits – Spouse/Same-Sex Domestic Partner**

You may purchase life insurance for your spouse in the amounts of \$10,000, \$20,000 or \$30,000. You must purchase a minimum of \$10,000 employee coverage to enroll in the spouse/same-sex domestic partner coverage.

### **Dependent Benefits – Children**

You may purchase life insurance for your child(ren) in the amounts of \$5,000 or \$10,000. Age at death benefit amount is from birth to 19 years or the end of the calendar year in which they turn 24 if a full-time student. You must purchase a minimum of \$10,000 employee coverage to enroll in the child(ren) coverage.

## **Voluntary Accidental Death and Dismemberment (AD&D) Insurance**

### **Employee Benefits**

You may select an amount of insurance in flat increments of \$10,000 not to exceed the greater of \$300,000 or 10 times your annual salary to a maximum of \$500,000. If not a multiple of \$10,000, this amount will be rounded to a multiple of \$10,000.

Your annual salary is your basic annual earnings. It does not include bonus, overtime or any other form of compensation.

### **Dependent Benefits**

Your family status determines the benefits payable at the time of the claim.

Spouse Amount = 50% of the Employee Voluntary AD&D amount if no children  
= 40% of the Employee Voluntary AD&D amount if children

Child Amount = 15% of the Employee Voluntary AD&D amount if no spouse  
= 10% of the Employee Voluntary AD&D amount with spouse

## **Is the Supplemental Life plan voluntary?**

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

## **Do I need to answer Health Questions before I am covered?**

If you are a new employee to Miami University, during your first 31 days of employment you may enroll for coverage up to the non-medical maximum of \$350,000 supplemental life for employees. You must provide proof of good health (evidence of insurability) for elected amounts higher than the non-medical maximums before coverage takes effect. There is no proof of insurance necessary for Spouse Life or Child(ren) Life.

Evidence of insurability application forms can be requested through Benefit Services or by visiting [www.muohio.edu/benefits](http://www.muohio.edu/benefits). Upon completion, they should be sent to: Liberty Mutual, Attn.: Group Underwriting Department -- Andrea Howard, P.O. Box 1525, Dover, NH 03821-1525. You will be advised if your coverage is approved or denied. If approved, coverage will be effective the 1<sup>st</sup> payroll period you receive a deduction following approval of your application.

## Can I refuse coverage now and enroll later?

Yes, with restrictions. If you do not elect to participate during your initial election period, you are only eligible to enroll within 31 days of a qualifying event or during the annual open enrollment (typically in October). Most importantly, you and your Spouse/Partner must provide proof of good health (evidence of insurability) for ALL amounts of coverage before it takes effect. You could be denied coverage if you enroll outside of your open enrollment period.

## What other benefits are included?

Waiver of Premium is provided to pay for your insurance to age 65 while you are totally disabled as long as disability commences before age 60 and lasts longer than 9 months. Accelerated Death Benefits allow you to advance-collect roughly 50% of your Life amount to a maximum of \$600,000 (basic and supplemental combined) if your life expectancy is 12 months or less.

## Can I purchase additional coverage later?

Yes, with restrictions. If you are already enrolled in the Supplemental Life plan, you may elect additional multiples of salary (or dollar increment for Spouse/Partner and Child(ren)) at each annual enrollment in October without providing proof of good health unless the new amount exceeds the non-medical maximums of \$350,000 for employees. Of course, you may also apply for amounts above the non-medical maximums by providing proof of good health during your annual enrollment period in October. You must complete a new enrollment form for ALL changes.

## Can I take the coverage with me if I no longer work for Miami University?

You and your Spouse/Partner may convert your coverage to individual whole Life policies within 31 days of your termination without providing proof of good health. Child coverage cannot be converted.

## How much will it cost?

### **Voluntary Life Insurance**

For Employees: The cost for Liberty Mutual's Supplemental Life insurance is based on the rate table below:

| Age   | Rate/\$1,000/Month | Age   | Rate/\$1,000/Month |
|-------|--------------------|-------|--------------------|
| <34   | .05                | 60-64 | .98                |
| 35-39 | .06                | 65-69 | 1.49               |
| 40-44 | .11                | 70-74 | 2.26               |
| 45-49 | .19                | 75-79 | 3.33               |
| 50-54 | .33                | 80-84 | 5.07               |
| 55-59 | .60                | 85+   | 10.27              |

For Spouse/Same Sex Domestic Partner and Children: The cost is \$.20 per \$1,000 increment.

| Spouse/Partner | Rate/Month | Child    | Rate/Month |
|----------------|------------|----------|------------|
| \$10,000       | \$2.00     | \$5,000  | \$1.00     |
| \$20,000       | \$4.00     | \$10,000 | \$2.00     |
| \$30,000       | \$6.00     |          |            |

**Voluntary Accidental Death & Dismemberment (AD&D):** The premium for Voluntary AD&D is \$.02/\$1,000 of coverage per month for single (employee only) or \$.025/\$1,000 of coverage per month for the family.

**How do I calculate my costs?**

Here's an example of calculating coverage: Assume an employee's annual salary is \$60,000. Employee is 35 years old and elects \$300,000 (5x annual salary) for supplemental life, \$20,000 for the Spouse/Partner, and \$10,000 for children:

|   |                |
|---|----------------|
| Employee Coverage: \$300,000 divided by 1,000 = 300 x \$.06 rate =    | \$18.00        |
| Spouse/Partner Coverage: \$20,000 divide by 1,000 = 20 x \$.20 rate = | \$ 4.00        |
| Child Coverage: \$10,000 divided by 1,000 = 10 x \$.20 =              | <u>\$ 2.00</u> |
| <b>TOTAL MONTHLY COST: \$24.00</b>                                    |                |

**FIGURE YOUR OWN COST:**

Your Life Coverage: (\$10,000 increments up to 5x annual salary or \$500,000 max) \$\_\_\_\_\_

Spouse/Partner Life Coverage: (\$10,000 increments to \$30,000)  
\$\_\_\_\_\_

Child Life Coverage: (\$5,000 increments to \$10,000) \$\_\_\_\_\_

Employee: \$\_\_\_\_\_ divided by 1,000 x \_\_\_\_\_ (rate from table) = \$\_\_\_\_\_ per month

Spouse/Partner:\$\_\_\_\_\_ divided by 1,000 x \$.20 (rate for Spouse/Partners) = \$\_\_\_\_\_ per month

Child: \$\_\_\_\_\_ divided by 1,000 x \$.20 (covers all children) = \$\_\_\_\_\_ per month

LIFE TOTAL MONTHLY COST: \$\_\_\_\_\_ per month

*For questions or additional information, please contact Benefit Services, Oxford Campus, 15 Roudebush Hall  
529-3926 or 529-3927.  
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