

# *Minnesota Life Group Optional Term Life and AD&D Insurance Plan*

The Virginia Retirement System (VRS) Optional Group Life insurance program gives you the opportunity to purchase additional insurance at favorable group rates on yourself and your family. Optional group life is term insurance. Term insurance generally provides the largest immediate death protection for your premium dollar. The program is administered by the Virginia Retirement System, and is provided under a group policy issued by the Minnesota Life Insurance Company.

## **COST OF COVERAGE**

Monthly premium is based on age and salary. Please see the Minnesota Life benefit book for more information.

## **EFFECTIVE DATE OF COVERAGE**

An employee may apply for optional life insurance at any time. However, if the employee is enrolling within 31 days of employment, coverage is guaranteed and no medical underwriting is required. Insurance coverage is effective on the signature date. If an employee is enrolling after 31 days of employment coverage begins on the date of the approval.

## **What Amounts of Coverage are Available in Optional Life?**

There are 4 options under the VRS Optional life plan. The amount of coverage a member and the family receives corresponds with the option selected.

	<b>Employee</b>	<b>Spouse</b>	<b>Children</b>
<b>Option</b>	<b>Insurance Amount</b>	<b>Insurance Amount</b>	<b>15 days- Max. age</b>
1	1x Salary	1/2 x Employee Salary	\$10,000
2	2x Salary	1 x Employee Salary	\$10,000
3	3x Salary	1 1/2 x Employee Salary	\$20,000
4	4x Salary	2 x Employee Salary	\$30,000

- An **Employee** may select coverage options for one, two, three, or four times their salary (rounded to the next highest \$1,000), up to a maximum of \$750,000.
  - Insurance for **Spouse** is one half of the amount of the employee's coverage, up to a maximum of \$375,000.
- Approval is required for spouse coverage under Options 2-4 even if an application is completed within 31 days of eligibility.**
- **Children's** coverage is based on the option the employee selects. The amount of insurance is for each eligible child.

In addition to these amounts selected to be paid upon a regular death, Optional life insurance also includes accidental death and dismemberment benefits, as well as an accelerated benefit.

- The accidental death benefit pays an additional benefit equal to the amount of Optional life coverage selected if death is a result of an accident.
- The dismemberment benefit pays an amount equivalent to either one-half or the entire amount of optional life insurance should an insured lose sight or suffer a severed limb as a result of an accident or a combination of both.
- The accelerated benefit allows an insured to receive all or a portion of their insurance while they are living. Any insured diagnosed with a terminal illness with a life expectancy of 12 months or less may apply to accelerate their benefit and receive payment while they are living.

### What is the Cost of Optional Life?

Premiums for the Employee and the Spouse are based upon each individual insured's age. The rates in the table are per thousand dollars of coverage.

### Employee and Spouse Rates

Age of Insured Member or Spouse	Rate per every thousand dollars
34 and under	\$ .05
35-39	.06
40-44	.09
45-49	.14
50-54	.20
55-59	.33
60-64	.65
65-69	1.15
70 and over	2.06

**Child(ren) Rates-** unmarried dependents up to age 21; or up to age 25 if the unmarried dependent is a full-time student. There is no age limit if the unmarried dependent is disabled.

Option	Insurance Amount (each child)	Flat Monthly Rate
1	\$10,000	\$0.80
2	\$10,000	\$0.80
3	\$20,000	\$1.60
4	\$30,000	\$2.40

## How to Apply for Optional Life?

- Complete an Optional Life Enrollment Application (VRS-39) and
- Send it in with an Evidence of Insurability (VRS-32) form.

If you apply for Optional life within 31 days from the date of employment, you may receive up to Option 4 on a guarantee issue basis, but not greater than \$375,000, whichever is less. "Guarantee issue" means that the applicant will receive coverage without proof of insurability for any option that does not exceed \$375,000. If an option is selected that provides coverage in excess of \$375,000, the applicant will be required to submit an Evidence of Insurability form (VRS-32) to be reviewed by the Company. Coverage will be limited to \$375,000 until your VRS-32 is approved.

Likewise, Spouse coverage is guaranteed for Option 1 (1/2 of the employee's salary) if application is made within 31 days the spouse first becomes eligible for Optional life. If the employee selects Option 2, 3, or 4, the spouse will be asked to furnish evidence of insurability for the Company's approval before the spouse can be covered for the higher amount. If the Evidence of Insurability is not approved, your spouse will continue to be insured for the amount provided under Option 1 (half the employee's salary).

If both you and your spouse are eligible for Optional life as employees, you may not elect spouse coverage. Likewise, either you or your spouse, not both, may elect coverage for your children.

Child(ren) also may receive coverage at the level corresponding to the option you select. Children's coverage also does not require proof of insurability if their coverage is applied for within 31 days of their becoming eligible to be insured.

Application for Optional life may also be made at anytime more than 31 days after either the employment date or eligible date. The employee merely completes an enrollment application (VRS-39) and sends it in with their completed evidence of insurability (VRS-32) form.

Applications may be obtained either from your employer's benefits administrator or from Minnesota Life. Their address is PO Box 1193, Richmond, VA, 23218-1193. Minnesota Life's phone number is 1-800-441-2258.

**NOTE: Any existing Employee (and or Dependents) which apply for term life coverage (did not apply when initially eligible) MUST complete a Health Statement.**

## Will I Be Able to Continue My Optional Life at Retirement?

**Yes.** You may continue your Optional life insurance if you are retiring, or terminating service but deferring retirement. You must have been insured with Optional life for 60 months before leaving service. Premiums to continue your coverage would be at the same rates as that for an active employee.

You may continue optional life as a retiree at either Option 1 or Option 2, subject to a maximum equal to the smaller of the amount of optional insurance in force on the eligible date, or \$275,000.

Election to continue must be made within 31 days of leaving service. Optional coverage you are carrying above these amounts may be converted to an individual policy.

Insurance amounts and the corresponding maximums begin to reduce at age 65 and all insurance terminates at age 80.

Spouse coverage is also available at the corresponding Option 1 and Option 2 levels of insurance selected by the retiree to continue. The insurance on the spouse continues to be one half of the amount of the retiree's coverage. Premium is based on the same rates under the VRS group plan.

Dependent children may continue to be insured by the retiree at the same Options previously insured prior to retirement.

### **What Happens to My Optional Life With Termination?**

If you terminate your employment, and are not eligible to continue Optional coverage as a retiree, your Optional insurance terminates. However, coverage may be converted to an individual policy. The conversion privilege may be exercised without proof of insurability if election to convert is made within 31 days of the termination.

Spouse and dependent children coverage also ends when your coverage terminates, but they can then be converted into an individual policy.

### **Who Are Beneficiaries for Optional Life?**

The beneficiaries of an employee's Optional life insurance are the same as those designated for the VRS Basic group life insurance.

The employee is the beneficiary the spouse and the children's optional life coverage.

