

VOLUNTARY TERM LIFE INSURANCE

What Is Voluntary Term Life Insurance?

Voluntary Term Life Insurance is an optional life insurance coverage available to employees of districts who are participating in the Basic Group Life Insurance. The policy does not include an AD&D provision.

Who Can Enroll on The Voluntary Term Life Insurance Coverage through SISC?

Employees receiving Basic Life Insurance from their district may enroll in coverage within the first 31 calendar days of hire or of becoming newly eligible **without** having to provide evidence of good health (Guarantee Issue). During the Guarantee Issue period, Employees can purchase up to \$250,000 (increments of \$10,000) for themselves, up to \$50,000 (increments of \$5,000) for a spouse/domestic partner, and \$10,000 for each dependent child. If an employee requests higher amounts of coverage, evidence of insurability will be required.

Is There an Open Enrollment Period for Voluntary Term Life Insurance?

At the time a district initially offers voluntary life insurance they may offer a **one-time** only open enrollment for all eligible employees without Evidence of Insurability required. Please contact your Account Management team if you would like to know more about this opportunity.

What are the Monthly Rates?

Employee Age	Rate per \$1,000 of Benefit—Effective 10/1/2016
Under 25	\$0.05
25–29	\$0.06
30–34	\$0.07
35–39	\$0.08
40–44	\$0.10
45–49	\$0.16
50–54	\$0.24
55–59	\$0.49
60–64	\$0.67
65–69	\$1.14
70–74 (active employees only)	\$2.16
75 and over (active employees only)	\$3.02

How Much Coverage Can Be Purchased Through SISC?

Employees can purchase up to \$500,000 for themselves (increments of \$10,000) and their spouse/domestic partner (increments of \$5,000), and \$10,000 for each dependent child. Employees requesting coverage amounts in excess of Guarantee Issue, or outside the Guarantee Issue period, will be subject to approval from the life insurance carrier through an Evidence of Insurability application.

Can a Spouse/Domestic Partner or Dependent Child's Coverage Exceed the Employee's Coverage?

No. Coverage for a spouse/domestic partner is limited to 100% of the employee benefit. Coverage for dependent children is limited to \$10,000 per child.

How are the Premiums Calculated for Spouse/Domestic Partners?

The rates for a spouse/domestic partner are based upon the age of the employee (see monthly rate table).

What is the Monthly Premium for Dependent Children?

All dependent children are allowed \$10,000 of coverage for a total monthly premium of \$1 regardless of the number of children covered. Dependent children are only covered under this policy through their 26th birthday.

Does an Employee's Premium Increase as They Age?

Yes. The premium will increase the January following an employee's transition into the next age band. A report of these increases will be available on SISCconnect each December. It is the district's responsibility to notify the employee of any premium changes.

Does the Voluntary Term Life Benefit Ever Reduce?

Yes. The benefit and corresponding premium are reduced by 50% when an employee reaches age 70 and continues to reduce by 50% every five years until the employee reaches age 80. The benefit is reduced according to the Age Discrimination in Employment Act (ADEA) chart (see the schedule of benefits section of the "Voluntary Term Life" policy).

Is There a Cash Value to this Policy?

No.

Can Voluntary Term Life Coverage Continue for an Employee Who Leaves the District?

Yes. The Voluntary Term Life Insurance policy has the added value of being portable. This means that an employee who loses district coverage can continue their policy directly with the insurance carrier for the same group rates charged to SISC members up to age 70.

Employees must apply for continuation within 31 calendar days from the loss of coverage date. **It is the district's responsibility to notify the employee of this option immediately upon loss of coverage.**

Forms to continue Voluntary Life Insurance can be found on the SISC secure web portal (SISCconnect) at sisconnect.org. Employees over age 70 who lose district coverage may contact the insurance carrier directly for other continuation options.

Who Does an Employee Contact If He or She Would Like to Apply for the Voluntary Term Life Insurance after the Initial Enrollment Period?

Late entrants are subject to evidence of insurability requirements and a medical evaluation. Evidence of Insurability is completed online directly with Lincoln Financial through a district specific web portal. Access to the district's web portal and instructions for completing the EOI are available on SISCconnect. SISC will notify the district of an approved enrollment and subsequent premium changes when a decision is received from Lincoln Financial. There may be an application fee which is the responsibility of the employee and does not guarantee coverage will be approved.

Where Can I Get More Detailed Information about the Voluntary Term Life Insurance?

Plan documents should be referenced for additional information and should be provided to employees upon enrollment. You may download the documents from the "Life Insurance" option on the "Reports" tab in SISCconnect. The document and summary can be posted to the district's intranet site so employees can access it if needed.

Additional Life Insurance Provisions**Is Extended Coverage Available for Disabled Employees?**

Yes. If an insured employee becomes totally and permanently disabled prior to reaching age 65 and meets other qualifying conditions, he or she may qualify for extended life insurance coverage without premium if approved by the insurance carrier. SISC encourages employees to apply for this extended coverage as soon as he or she may be eligible. For more information on this provision, the plan document should be referenced.

Is a Living Benefit Available?

Yes. In the event a covered employee is diagnosed with a terminal illness which is expected to result in death within 12 months, the insured person may elect to withdraw an Accelerated Death Benefit which will reduce the benefit payable at death. For more information on this provision, the plan document should be referenced.

Life Insurance Reporting**How Do I Enroll a Newly Eligible Employee on the Basic Group Life Insurance?**

There are two forms to complete. The employee must complete a SISC Enrollment Form and a Basic Group Life Enrollment Form. The correct Basic Life Group Number from the Rates-at-a-Glance should be indicated on the SISC Enrollment Form and submitted with the district's activity.

Do I Need to Submit the Basic Life Enrollment Form to SISC?

No. It is the district's responsibility to keep a copy in the employee's personnel file. In the event of a claim, the district will be responsible for providing the form with the claim.

If a Newly Eligible Employee is Enrolling on Voluntary Term Life Insurance, Do I Need to Submit a Voluntary Term Life Enrollment Form to SISC?

Yes. If a newly eligible employee would like to enroll in the Voluntary Term Life Insurance, the employee must complete the Voluntary Term Life Insurance Enrollment Form within the first 31 calendar days of hire or of becoming newly eligible. It is the district's responsibility to keep the original enrollment form in the employee's personnel file and provide a copy to SISC via sisconnect.org.

How Do I Report Voluntary Term Life Terminations to SISC?

Voluntary Term Life terminations should be submitted in writing through SISCconnect. It is the district's responsibility to keep a copy of the employee's requested termination in the employee's personnel file.

How Do I Report Voluntary Term Life Decreases of Coverage to SISC?

Requests for decreases of coverage should be submitted in writing through SISCconnect. It is the district's responsibility to keep a copy of the employee's requested changes in the employee's personnel file.

Beneficiaries and How to File a Life Insurance Claim

How Does an Employee Change a Beneficiary?

An employee can complete a Beneficiary Designation form at any time. This form can be found on SISCconnect. It is the district's responsibility to keep this in the employee's personnel file. Do not forward to SISC unless a claim is being filed.

Do I Need to Send Life Insurance Beneficiary Change Forms to SISC?

No. It is the district's responsibility to keep any beneficiary change forms in the employee's personnel file.

What is a Primary Beneficiary?

A Primary Beneficiary is a person named to receive an employee's life insurance benefit in the event of a claim. If an employee wishes to designate more than one primary beneficiary, then percentages totaling 100% should be indicated.

What is a Secondary Beneficiary?

A Secondary Beneficiary is a person named to receive an employee's benefit in the event that no primary beneficiaries are alive when a claim is filed. If an employee wishes to designate more than one secondary beneficiary, then percentages totaling 100% should be indicated.

Can a Minor Child be a Beneficiary?

Yes. Minor children can be beneficiaries. In the event of a claim, the benefit may be released to a legally appointed guardian or held in a trust with the insurance carrier until the child reaches age 18.

What Happens If No Beneficiaries are Named?

If an employee does not name a beneficiary or if no beneficiary survives the employee, benefits will be paid in the following order:

1. to a surviving spouse/domestic partner; if none, then
2. to surviving natural and/or adopted children; if none, then
3. to a surviving parent(s); if none, then
4. to surviving brothers and sisters in equal share, if none, then
4. to an estate

Benefits will be paid equally among surviving children or surviving parents.

How Do I File a Claim?

In the event of a claim, it is the district's responsibility to provide the appropriate forms to the claimant. Life Claim form can be found on SISCconnect. Completed claims should consist of the Life Claim form, Basic life and Voluntary Term life enrollment form(s), Certificate of Death, and any Funeral Assignment forms if applicable. The forms should be submitted through SISCConnect and the district should keep a copy of all forms.

How Long Does a Claim Take to Process?

It takes the insurance carrier about 31 days to fully review each claim submitted. If additional information is required by the carrier, this may further delay the processing time.