

## **STANDARD LIFE Plan Basics and Claim Submission Process (03/11/2015)**

**Life Insurance Plan Basics & Claim Submission Process** – Regarding the University of Arkansas Life Insurance Benefits Application, Page 2 of 8 needs to be completed by the Employer and submitted along with enrollment forms and beneficiary designation cards. The beneficiary needs to complete page 4 of 8. Standard will follow up for this documentation along with the death certificate. If the Employer has the beneficiary statement and death certificate information they can also submit this. Documentation can be submitted via mail, fax or email whatever is easiest for the Employer and Beneficiary. Average turnaround time is 4 business days after receipt of all documentation.

**Conversion & Portability for Life Insurance** The Portability of Insurance provision can be found on page 13 & 14 of the group policy and the Right To Convert provision can be found on page 17 of the group policy. The main points of each plan are as follows:

### **PORTABILITY OF INSURANCE**

- Members may port their group life benefits to a term life policy without having to submit Evidence of Insurability
- However, members must be able to perform with reasonable continuity the material duties of at least one gainful occupation for which they are reasonably fitted by education, training and experience. Disabled members are not eligible.
- Members must be under age 80 on the date their life insurance ends.
- Members may port dependent coverage.
- Members must have been continuously insured under the Group Policy for at least 12 consecutive months; we will include time insured under the Prior Plan.
- Members must apply in writing and pay within 31 days after insurance ends.
- The insurance is continued at a group discounted rate.
- Rates increase in 5 year increments
- The minimum amount for the employee is \$10,000 and the maximum amount is \$600,000
- The minimum amount for the spouse is \$5,000 and the maximum amount is \$100,000
- The minimum amount for the child is \$1,000 and the maximum amount is \$10,000
- The amount purchased cannot exceed the amount in effect prior to termination.
- Insurance begins the day after the group insurance terminates.
- There is a 7 page application available for this option. The form can be given to the Employee or the Employee can call Continued Benefits at 1-800-378-4668 to initiate coverage. The rates are in the application.

### **CONVERSION OF INSURANCE**

- Members may convert their group life benefits to an individual whole life policy without having to submit Evidence of Insurability
- The premiums for this policy are substantially higher than premiums paid for group coverage.
- The maximum amount of life insurance available for conversion is the amount in effect when insurance ends. Members may request less.
- Members must apply and pay within 31 days after insurance ends.
- Dependent coverage can be converted
- There is no age limit.

**Conversion of Insurance, continued...**

- There are no rate increases.
- Insurance must have been in effect for 1 day.
- Insurance would begin the day after the member's group life insurance ends.
- There is a 9 page application available for this option. The form can be given to the Employee or the Employee can call Continued Benefits at 1-800-378-4668 to initiate coverage. The rates are in the application.

### **BENEFIT PAYMENT & BENEFICIARY DESIGNATION**

- If the beneficiary designation is signed and dated by the member, and delivered to the employer before the member's death, payment will be made to the beneficiary named on the beneficiary card.
- If a member does not name a Beneficiary, or if they are not survived by one, benefits will be paid in equal shares to the highest survivor(s) in the following order:
  1. Your Spouse. Spouse means a person to whom you are legally married. However, for purposes of insurance under the Group Policy, Spouse does not include a person from whom you are divorced.
  2. Your children.
  3. Your parents.
  4. Your brothers and sisters.
  5. Your estate.
- Some state statutes disqualify ex-spouses as beneficiaries of life insurance policies under certain circumstances. In addition, some divorce decrees and property settlements disqualify ex-spouses as beneficiaries. Therefore, when an ex-spouse is designated on the beneficiary card, we will request a copy of the divorce decree and property settlement and review current state statutes. If the ex-spouse is disqualified, the contingent beneficiary will be payable. If there is no contingent beneficiary, we will pay according to the above group policy order.
- It can be problematic to designate minor children as beneficiaries, as we cannot legally send benefit checks to minor children. In addition, children cannot legally enter into contracts, so funeral home assignments are not allowed if there is a minor beneficiary. State statutes dictate how life insurance benefits are handled for minor beneficiaries. For larger benefit amounts, the only two options are guardianship of the minor's estate (an expensive and lengthy court process), or the money will be deposited into an interest-bearing account with The Standard until the child turns 18. Members who wish to provide for their minor children may find it more advantageous to name a trust or guardian as beneficiary.
- We currently do not set a time limit for submitting a death claim; we review claims at any point after the member's death.
- Payment under \$25,000 is issued in a check. Payment of more than \$25,000 can be issued as a check or in a secure interest-bearing checking account.

### **SUICIDE EXCLUSION**

- If a Member or Spouse's death results from suicide or other intentionally self-inflicted Injury, while sane or insane, the Suicide Exclusion will be reviewed for Additional Life or Spouse Life benefits.
- The suicide exclusion does not apply to Basic Life or Child Life.
- This exclusion applies only to life insurance benefit amounts in effect for less than 2 years at the time of death, including time insured under a Prior Plan.

**Suicide Exclusion, continued...**

- For example, if a member receives a salary increase within 2 years prior to committing suicide, that benefit increase will be excluded from payment.
- We will refund all premiums paid for the portion of life insurance excluded from payment.

### **WAIVER OF PREMIUM**

- If a member becomes Totally Disabled before they turn 60, life insurance may continue without payment of premiums while they remain totally disabled
- Members must complete a 180 day waiting period and provide periodic Proof of Loss.
- Waiver of Premium claims are managed by the LTD Benefits Analyst if they have an LTD claim. WOP may also be managed by Life Waiver of Premium Examiners in cases where an LTD claim is denied or limited, but the employee is still entitled to Life Waiver of Premium.
- Waiver of Premium ends at age 65. At age 65, members who wish to continue their Life Insurance can convert it. If eligible as a retiree, they may elect for \$10,000 retiree life insurance as Plan 2 in the Life Policy.
- When life waiver of premium terminates, the employee and the employer will be notified of the termination. If the Employee does qualify for retirement life insurance the Employer will have the Retiree complete the UAS Retiree Enrollment Form and the Employer will fax or email the form to Holly Nelson at The Standard if they elect life coverage. Holly will then begin the enrollment process for the retiree life insurance which is paid for by the Employee.
- If a life waiver of premium claim is being reviewed, the LTD Analyst may contact the associated UAS campus to request copies of the member's life insurance enrollment forms and beneficiary designations if not already included in the LTD claim.

### **ACCELERATED BENEFIT**

- Is available to active members, not retired members
- If an active member is terminally ill with a condition which is expected to result in death within 12 months they can apply for Accelerated Benefits.
- There is an Accelerated Benefits Form which needs to be completed.
- They can receive up to 75% of insurance. The minimum is \$5,000 or 10%, whichever greater and the maximum is \$500,000.
- It will be paid in a lump sum and overnighted to the member.
- This information is on Page 15 & 16 of your Group Policy