

M/C GROUP LIFE INSURANCE

Program Description

- Optional program that provides term life insurance in flat amounts of \$5,000, \$10,000, \$15,000 or in multiples of annual salary up to five times pay to a maximum of \$500,000.
- Premiums are paid by employees through payroll deductions with discounts available for non-smokers.
- Offers optional life insurance coverage for the employee's spouse and dependent children, providing the employee enrolls.
- Also provides accidental death and dismemberment insurance for employees in an amount equal to the life insurance amount to a maximum of \$250,000.

Eligibility

- All M/C employees are eligible.
- Eligibility begins on the employee's date of hire.

Enrollment

- If an employee enrolls within six biweekly pay periods of his/her eligibility date (date of hire) he/she will not need proof of insurability.
- If an employee enrolls more than six biweekly pay periods after first becoming eligible, the employee will be required to complete a medical questionnaire and possibly undergo a physical examination before coverage can begin.

When Coverage Begins

- If an employee enrolls within the first six biweekly pay periods, coverage will begin on the 1st day of the pay period following the pay period in which the employee submits the enrollment form to his/her agency.
- If an employee enrolls after the first six biweekly pay periods, coverage will begin on the 1st day of the pay period following the date of approval by Metropolitan Life Insurance Co.
- An employee must be actively at work in order for coverage to become effective.

When Coverage Terminates

- Coverage will terminate on the last day of the pay period in which a contribution is taken.
- Life insurance conversion policies are available through Metropolitan.

How the Plan Works

- An employee enrolls for life insurance in flat amounts or as a multiple of annual salary and receives Accidental Death and Dismemberment Insurance and Aviation and Common Carrier Insurance in amounts equal to the life insurance amount (except that the total amount payable under AD&D and Aviation and Common Carrier Insurance is \$250,000 each).
- An employee may enroll his/her spouse for life insurance in an amount equal to 50% of the employee's life insurance not to exceed \$20,000. An employee can enroll eligible dependent children for life insurance amounts of \$4,000 each. Accidental Death and Dismemberment Insurance and Aviation and Common Carrier Insurance are only available to employees.
- The life insurance rate is based on an employee's age (five-year brackets) and class of risk (smoker/non-smoker). Rates are adjusted effective September 1 of each year.
- The amount of an active employee's Life Insurance, as well as his/her AD&D Insurance, will be reduced at age 65, 70, 75, and 80, but the insurance coverage will not be reduced below \$15,000 (\$15,000 each for life and AD&D). The amount of the spouse's life insurance will also be reduced at the same time and can never be more than 50% of the employee's Life Insurance amount. If an employee retires, the reduction will take place at age 65 and the retiree's Life Insurance will be made to equal \$15,000 at age 70. Retirees are not covered for AD&D or Aviation and Common Carrier Coverage after reaching age 70.

Other Information

- The program is insured through Metropolitan Life Insurance Company.
- Approximately 15,000 employees participate in the program carrying over \$1.5 billion in coverage. Annual premiums are in excess of \$8,000,000.