



# Optional Life Insurance

Answers To Your Questions





## About This Booklet

This booklet is designed to answer some common questions about the group optional life insurance coverage being offered by Kansas Public Members Retirement System (KPERS). It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the group policy issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the group policy or the insurance coverage in any way. If you have additional questions, please contact us toll-free at 844-289-2306.

## Optional Life Insurance

It's not easy to think about, but what if you suddenly died? Your family could be faced with house payments, unpaid bills, childcare and other expenses just to maintain their current lifestyle. Could your family live without your income? Would your family be able to pay for the medical expenses associated with a terminal illness or with burial and funeral expenses?

You make a great investment in your family. You spend time with them. You care for them. You work for them. And if you're not there for them, you want them protected. As part of your KPERS benefits, you have basic life insurance to protect your loved ones if you pass away. It's worth 150% of your pay. Your employer pays the cost of this benefit. But if you need more than basic life insurance, your employer also offers optional life insurance.

### Commonly Asked Questions

Here are the answers to some common questions about your KPERS optional life insurance.

#### How much coverage may I get for myself?

Member coverage ranges from \$5,000 to \$400,000, in \$5,000 increments. New members are eligible for an initial \$250,000 of guaranteed coverage without proof of good health within 31 days of their hire date. You must provide proof of good health for amounts over \$250,000. Optional life insurance premiums are automatically deducted from your pay.

#### How much coverage may I get for my spouse and children?

Spouse coverage ranges from \$5,000 to \$100,000, in \$5,000 increments. New members are eligible for \$25,000 of guaranteed coverage for a spouse within 31 days of their hire date. **You may not be insured as both a member and a spouse.**

- For KPERS members, member coverage is not required to choose coverage for your spouse and children.
- For KP&F members, member coverage is required to choose coverage for your spouse and children.

Child coverage is available in the amount of \$10,000 or \$20,000. One premium covers all your dependent children. Unmarried children are covered to age 26, with no age limit on disabled dependents. **Only one parent may have child coverage if both parents are KPERS members.**

#### How does a family status change affect coverage?

A family status change is a life event such as marriage, divorce, birth or adoption. It also includes a change in employment status by you or your spouse from full-time to part-time or if your spouse's employment ends.

Within 31 days of a family status change:

- You can enroll for or increase your member coverage by \$50,000 or less, up to the guarantee issue amount of \$250,000, without proof of good health. For any increases above \$50,000, proof of good health will be required.
- Your spouse is eligible to enroll for or increase coverage in \$5,000 increments up to the guarantee issue amount of \$25,000, without proof of good health. For any increases above \$25,000, proof of good health will be required.
- You can enroll or increase your child coverage.

#### May I start or increase coverage anytime outside of a family status change?

You can start or increase your coverage, or your spouse's coverage, at any time with proof of good health. Complete [the enrollment form](#) to get started.

#### How much coverage is available during KPERS open enrollment period?

Each year KPERS holds an open enrollment. During this time, you can increase your coverage or add new coverage for you, your spouse and your children.

- Members currently enrolled in optional life may increase their coverage by \$50,000 or less each year, up to the guarantee issue amount of \$250,000. For increases over \$50,000, proof of good health will be required.
- Members not currently enrolled in optional life may add coverage in \$5,000 increments, up to \$50,000. Proof of good health is required for amounts over \$50,000.
- Spouses enrolling for the first time may apply for coverage in \$5,000 increments, up to \$25,000, without proof of good health. Proof of good health is required for coverage over \$25,000, up to the plan maximum of \$100,000.
- Spouses currently enrolled in coverage may increase their coverage in \$5,000 increments up to the guarantee issue amount of \$25,000, without health questions. Proof of good health is required for amounts over \$25,000.

## How much coverage do I need?

Your family has a unique set of circumstances and financial needs. To help you calculate how much optional life insurance you may need, see our Life Insurance Needs Calculator on page 4 of this booklet.

## How much will Optional Life insurance cost?

Rates are based on your age, or your spouse's age as of last January 1. Premiums are automatically deducted from your pay.

Use the following rates to determine the monthly premium for your member and spouse coverage:

Age	Member Rate*	Spouse Rate*
Under 30	\$0.037	\$0.09
Age 30 to 34	\$0.055	\$0.13
Age 35 to 39	\$0.064	\$0.14
Age 40 to 44	\$0.073	\$0.16
Age 45 to 49	\$0.110	\$0.23
Age 50 to 54	\$0.156	\$0.34
Age 55 to 59	\$0.293	\$0.65
Age 60 to 64	\$0.467	\$0.99
Age 65 to 69	\$0.869	\$1.91
Age 70 to 74	\$1.409	\$3.08
Age 75 and above	\$1.528	\$3.33

\*Per \$1,000 of total coverage

\*\*Your monthly premium will also include a \$0.20 per month administrative charge.

### Example

#### Member age 40, choosing \$100,000 of coverage

1. Your coverage amount	=	\$100,000
2. Divide your coverage amount by 1,000	÷	<u>1,000</u>
	=	100
3. Using the rate table, find the rate that corresponds with your age as of January 1	x	<u>\$0.073</u>
4. Multiply the answer of line 2 by line 3	=	\$7.30
5. Add \$0.20 per month administrative charge	+	<u>\$0.20</u>
<b>6. Total premium per month</b>	=	<b>\$7.50</b>

## How much does it cost for my child(ren)?

Our premium\*\* covers all eligible children in your family. Children are eligible until age 26, with no age limit on disabled dependents. Be sure to notify KPERS when your last child reaches age 26 to cancel coverage.

\$10,000: \$1 per month

\$20,000: \$2 per month

\*\*Your monthly premium will also include a \$0.20 per month administrative charge.

## When does my insurance go into effect?

To become insured, you must satisfy the eligibility requirements, receive medical underwriting approval (if applicable), agree to pay your premium, and be actively at work (able to perform all normal duties of your job) on the day before the scheduled effective date of insurance.

If you are not actively at work on the day before the scheduled effective date of insurance, including child coverage, your insurance will not become effective until the day after you complete one full day of active work as an eligible member.

## What happens if I become terminally ill?

If you are diagnosed as terminally ill with 24 months or fewer to live, you may be eligible to receive up to 100% of your life insurance instead of your beneficiary receiving a death benefit. Spouse and child coverage are also eligible for this benefit.

## Are there any other benefits included with optional life insurance?

You're eligible for an additional benefit, the Repatriation Benefit, if you die more than 200 miles from your primary place of residence. It will pay for expenses, up to a benefit maximum, to transport your body to a mortuary near your primary place of residence.

Your benefit includes a travel assistance program that provides a full range of 24-hour medical, legal and travel assistance services to you and your dependents when you travel more than 100 miles from home or in a foreign country.

## What are the exclusions?

Your coverage includes an exclusion for death resulting from suicide or other intentionally self-inflicted injury while sane or insane. The amount payable will exclude amounts that have not been continuously in effect for at least two years on the date of death.

## What happens if you leave employment or retire?

If you retire, end employment or move to a position not covered by KPERS, your basic and any optional life insurance for you, your spouse or children will end. You can continue your coverage through a conversion or portability option within 60 days of ending employment. Individual whole life insurance and portable group term life insurance offer different features to satisfy the needs of a broad range of members.

## How do I apply?

Complete [paper enrollment form](#).



If you have questions, please contact  
The Standard toll-free at 844-289-2306  
or email [kpersadmin@standard.com](mailto:kpersadmin@standard.com).

## Life Insurance Needs Calculator

Each family has a unique set of circumstances and financial needs. To help you calculate how much optional life insurance you may need to protect your loved ones, use the worksheet below or our online Life Insurance Needs Calculator at [standard.com/mybenefits/kpers/needs.html](http://standard.com/mybenefits/kpers/needs.html).

Step 1: Income Needs		
Estimate the income you will need to replace if you or your partner passed away.	You	Spouse/Partner
<b>Annual Income</b>	\$	\$
<b>Other Income</b>	\$	\$
<b>Years Needed</b> Number of years your beneficiaries would need the income support		
<b>Total Income Needs</b>	\$	\$

Step 2: Major Expenses		
Estimate the major expenses you may leave behind or want to plan ahead for.	You	Spouse/Partner
<b>Final Expenses</b> To cover your final medical expenses, funeral and burial, a typical estimate is \$15,000 or 4% of your estate. <sup>1</sup> A traditional funeral averages \$6,000 but may cost much more. <sup>2</sup>	\$	\$
<b>Mortgage Balance</b>	\$	\$
<b>Loans and Debt</b> Include credit card debt, car loans, home equity loans, etc.	\$	\$
<b>College Savings</b> Estimate the amount each partner's income would contribute towards education funds. Average "total" annual cost of college ranges from about \$17,000 for a public in-state college to \$38,000 for a private college. <sup>3</sup>		
<b>Total Major Expenses</b>	\$	\$

Step 3: Assets		
Estimate the value of your assets.	You	Spouse/Partner
<b>Savings and Investments</b> Include real estate, retirement plans, investments or inheritance.	\$	\$
<b>Existing Life Insurance</b> Include any existing insurance plans/benefits outside this plan.	\$	\$
<b>Total Available Assets</b>	\$	\$

Step 4: Estimated Life Insurance Needed		
	You	Spouse/Partner
<b>Add your Total Income Needs and Total Major Expenses. Then subtract your Total Available Assets to get your personal estimate.</b>	\$	\$

This calculator is only intended to provide a general estimate of your family's potential income needs and should not be considered financial advice. For a more accurate and detailed analysis, please consult with a professional financial planner.

1 Life Foundation, Life Insurance Calculator, 2011

2 Federal Trade Commission, Funerals: A Consumer Guide, Nov. 24, 2009

3 The College Board, 2011-2012 national average for a four-year college or university. College costs are indexed at 8.3%. For details, visit: <http://trends.collegeboard.org/>.



## Standard Insurance Company

For more than 100 years we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. We have earned a national reputation for quality products and superior service by always striving to do what is right for our customers.

Headquartered in Portland, OR, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance and Individual Disability insurance. We provide insurance to more than 24,800 groups, covering over 8 million members nationwide.\* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

To learn more about products from The Standard, contact your human resources department or visit us at **[standard.com](http://standard.com)**.

\* As of June 30, 2013, based on internal data developed by Standard Insurance Company.