



# 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 Employees 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 cover 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. KPERS provides you with Basic Group Life insurance to help protect your loved ones in the event of your death. It's worth 150 percent of your salary. Since every employee's needs are different, KPERS also provides you with the opportunity to apply for Optional Life insurance.

### Commonly Asked Questions

The following information provides details to give you a better understanding of Optional Life insurance available from KPERS.

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

Employee coverage amounts range from \$5,000 to \$300,000 in \$5,000 increments. New employees are eligible for an initial \$50,000 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 \$50,000. Optional life insurance premiums are automatically deducted from your pay.

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

Spouse coverage is available in amounts of \$10,000, \$25,000, \$50,000 or \$100,000. New employees are eligible for an initial \$10,000 or \$25,000 of guaranteed coverage for a spouse within 31 days of their hire date. For KPERS members, employee coverage is not required to choose coverage for your spouse. KP&F members do need employee coverage to add coverage for their spouse or 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. New employees are eligible for \$10,000 or \$20,000 of guaranteed coverage.

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

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

You can enroll for or increase your employee coverage by up to \$50,000 (subject to the plan maximum of \$300,000) without proof of good health, within 31 days of a family status change.

You are eligible for \$10,000 or \$25,000 of spouse coverage without proof of good health, within 31 days of marriage. Child coverage can be enrolled for or increased within 31 days of a family status change.

#### 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 found on page 5 of this booklet to get started.

#### How much coverage do I need?

Your family has a unique set of circumstances and financial needs. To help you figure out the amount of Optional Life insurance you may need, see our Life Insurance Needs Calculator at: [www.standard.com/mybenefits/kpers/needs.html](http://www.standard.com/mybenefits/kpers/needs.html) or complete the worksheet found on page 4 of this booklet.

\* Only one parent may have child coverage if both parents are KPERS members.

## How much will Life insurance cost me or my spouse?

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 Optional Life and spouse coverage:

Age	Employee 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

#### Employee 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><u>\$7.50</u></b>

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

Our premium\*\* provides coverage for 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: \$1.00 per month

\$20,000: \$2.00 per month

## 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 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 Dependents Life insurance, your insurance will not become effective until the day after you complete one full day of active work as an eligible employee.

## 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 percent 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 with Optional Life coverage from The Standard?

You're eligible for an additional benefit, the Repatriation Benefit, if you die more than 200 miles from your primary place of residence. Your benefit 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?

Optional Life 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 31 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 the form included at the back of this booklet.



If you have questions, please contact  
The Standard toll free at 844-289-2306

## Life Insurance Needs Calculator

Each family has a unique set of circumstances and financial needs. To help you figure out the amount of Optional Life Insurance you may need to protect your loved ones, use the worksheet below or access our online Life Insurance Needs Calculator at: [www.standard.com/mybenefits/kpers/needs.html](http://www.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 Replacement Income Needed and Total Major Expenses. Then subtract your Total Resources 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/>.

# Optional Life Insurance Enrollment Form



Standard Insurance Company

Group Number 753781

844-289-2306  
6800 College Blvd, Ste 500, Overland Park, KS 66211

## Applicant Information

Your Social Security Number	Your Name (First, MI, Last)
Mailing Address	Telephone Number
City, State, Zip	Email Address
Date of Birth	Gender <input type="checkbox"/> Male <input type="checkbox"/> Female
Former Name (First, MI, Last) <i>Complete only if you've had a name change</i>	

## Coverage Information

### Member Life Insurance

In \$5,000 increments up to plan max \$300,000

Current Coverage	+	Coverage Increase	=	Total New Coverage Amount
	+		=	

### Spouse Life Insurance

Total Coverage Amount Requested (check one)     \$10,000     \$25,000     \$50,000     \$100,000

Spouse Social Security Number	Spouse Name (First, MI, Last)
Spouse Date of Birth	Gender <input type="checkbox"/> Male <input type="checkbox"/> Female
Spouse Former Name (First, MI, Last) <i>Complete only if you've had a name change</i>	

### Child Life Insurance

Total Coverage Amount Requested (check one)     \$10,000     \$20,000

One premium provides coverage for all eligible children in your family. Children eligible until age 26.  
No age limit for disabled dependents.

**Signature** I wish to make the choices indicated on this form. I authorize deductions from my wages to cover premiums. I understand that my deduction amount will change if my coverage or costs change.

Employee Signature Required \_\_\_\_\_ Date (Mo/Day/Yr) \_\_\_\_\_

## Employer Information *(to be completed by employer)*

Employer Name \_\_\_\_\_ Employer Number \_\_\_\_\_

New Hire     Family Status Change     Increase                       KPERs     KP&F

<b>For KPERs Use</b>	<input type="checkbox"/> GI <input type="checkbox"/> U/W	By _____	Date _____
----------------------	--	----------	------------

*Return completed form to The Standard at the address listed above or Fax to 971-321-5033.*



## 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, Oregon, 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 employees 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 **[www.standard.com](http://www.standard.com)**.

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