

GROUP LIFE PLANS

GROUP LIFE HIGHLIGHTS

- Basic Life and Accidental Death and Dismemberment (AD&D) premium is paid by the State.
- Basic Life and AD&D covers employee, spouse and eligible children.
- Basic Life and AD&D pays \$2,000 for employee's death; lesser amounts for dependent's death. Pays additional \$5,000 if the employee's death is accidental.
- Optional Life and AD&D may be elected at hire.
- Optional Life and AD&D coverage is equal to employee's annual salary, double the amount if the death is accidental.

BASIC LIFE AND AD&D

Who Is Covered

Employees

Basic Life and Accidental Death and Dismemberment (AD&D) coverage is provided free of charge to permanent and long-term nonpermanent employees of the State of Alaska as shown below:

- Full-time employees of the State of Alaska (those whose position is scheduled to work 30 or more hours a week on a regular basis).

- Full-time seasonal employees of the State of Alaska (subject to the guidelines outlined in the sections “When Coverage Begins” and “When Coverage Ends” on pages 10 and 11).
- Part-time employees of the State of Alaska who elect to participate in the plan (those whose positions are scheduled to work at least 15 but less than 30 hours a week on a regular basis).

If you are a part-time employee and want to participate in the State’s Basic Life and AD&D plan, you must elect coverage within the first 31 consecutive calendar days of employment. You need to sign an enrollment card **and** enroll in the Group Health plan. You must pay one-half of the health and life premium cost. If you do not elect coverage within the first 31 days, you must show evidence of good health if you want to participate at a later date. Contact your human resources office or the division for more information.

Dependents

Your eligible dependents include:

- Your spouse. You may be legally separated but not divorced.
- Your children from 14 days old up to 23 years of age **only** if they are:
 - your natural children, stepchildren, foster children placed through a State foster child program, legally adopted children, children in your physical custody and for whom bona fide adoption proceedings are underway, or children for whom you are the legal, court-appointed guardian;

- unmarried and chiefly dependent upon you for support;
- living with you in a normal parent-child relationship;
 - This provision is waived for natural/adopted children of the employee who are living with a divorced spouse, assuming all other criteria is met.
 - Only stepchildren living with the employee more than 50% of the time are covered under this plan.
- in addition, ***if they are between the ages of 19 and 23***, they must be attending school regularly on a full- or half-time basis.

Children incapable of employment because of a mental or physical incapacity are covered even if they are past the maximum age. However, the incapacity must have existed before age 19 and the children must continue to rely chiefly on you for support. You must furnish the carrier with evidence of the incapacities, proof that they existed before age 19 and proof of financial dependency. Children are covered as long as the incapacity exists and they meet the definition of children, except for age. Periodic proof of the continued incapacity may be required.

If the State of Alaska Group Life plan covers more than one family member, each eligible family member may be covered both as an employee and as a dependent, or as the dependent of more than one employee. A member is defined as the employee or eligible dependent covered by the plan.

The plan is the agreement described in this Life plan, between the State of Alaska and the life carrier, and any endorsements not attached or later issued.

How To Enroll

Even though the State of Alaska pays the premium for the Basic Insurance, you must complete an enrollment card indicating your designated beneficiary or beneficiaries. Your beneficiaries would receive the benefit if you died. You are automatically the beneficiary for any accidental dismemberment benefit. The enrollment card also offers you the opportunity to select Optional Life Insurance (see page 154).

When Coverage Begins

New Employees

You and your eligible dependents are covered by the State-paid Basic Insurance on the 31st consecutive calendar day of pay status. If you are disabled and not at work on the 31st consecutive calendar day, you are not covered for Basic Insurance benefits until you return and complete 31 consecutive calendar days of pay status. Your dependents are eligible on the same day you are eligible unless they are confined in a hospital or similar institution on the date coverage would normally begin. In that case, their coverage is delayed until they are released.

Rehired Employees

If you were previously insured and are rehired within seven calendar days of the date your insurance terminated, your coverage begins on the day you return. If previously insured and rehired more than seven calendar days after the date your insurance terminated, you are considered a new employee and coverage begins on the 31st consecutive calendar day as specified for new employees.

Employees Returning From Leave Without Pay or Layoff

If you are an employee returning to work from leave without pay or from layoff and you were covered prior to your leave/layoff, you and your dependents are covered on the day you return. Your dependents also are eligible for benefits on that

day unless they are confined in a hospital or similar institution on the date coverage would normally begin. In that case, their coverage is delayed until they are released.

Newborn Children

Coverage for a newborn child is effective from 14 days old. However, if your child is confined in a hospital or a similar institution on the effective date of coverage, benefits begin when the child is released.

New Dependents

If you add new dependents (other than a newborn child), they are covered immediately unless they are confined to a hospital or similar institution. Coverage then begins when they are released from the facility.

Amount of Basic Life and AD&D Coverage

Employees

If you die from any cause, your Basic Life Insurance pays your beneficiary a benefit of \$2,000.

If you die from an accident, your Basic AD&D Insurance pays your beneficiary an additional benefit of \$5,000, subject to the exclusions on page 154.

Dependents

If your spouse dies, your Basic Life Insurance pays you a benefit of \$1,000.

If a child dies, your Basic Life Insurance pays you according to the following schedule:

Age of child at death	Benefit Amount
14 days but not more than 6 months	\$100
6 months but not more than 2 years	\$200
2 years but not more than 3 years	\$400
3 years and over	\$500

Basic AD&D Coverage

Besides the full amount of the Basic Life, Basic AD&D benefits are payable for losses that occur within 100 days of an accident and as a result of accidental bodily injury, independent of all other causes, for loss of life, or loss of both hands, both feet, sight of both eyes or any such combination. One-half of the full amount is payable if you lose one hand, one foot, or the sight of one eye.

As used above, “loss” for hands and feet means complete severance through or above the wrist or ankle joint; for eyes, complete and irrevocable loss of sight. Loss of sight must be certified as being entire and irrecoverable by a licensed physician specializing in ophthalmology and certified by the American Board of Ophthalmology.

Basic AD&D Exclusions

AD&D benefits are not payable if the loss directly or completely results:

- from suicide or any attempted self-destruction while sane or insane;
- from declared or undeclared war, or any act of war;
- either directly or indirectly from illness or disease or bacterial infection other than infection that occurs simultaneously with and because of an accidental cut or wound; or
- from service in the armed forces of any country or international authority unless the service does not exceed 30 days.

OPTIONAL LIFE AND AD&D COVERAGE

As an employee of the State of Alaska you may also choose to enroll in Optional Life Insurance. Optional Life Insurance, excluding Accidental Death and Dismemberment (AD&D), is payable as a result of death from any cause.

The amount of Optional Life Insurance available to you is equal to your annual income rounded to the next highest \$1,000. The maximum available is \$60,000. This coverage is not available for dependents.

How To Enroll

On the same form for designating your beneficiaries for Basic Life (see page 152) you may select Optional Life Insurance.

If you enroll in Optional Life Insurance within 31 consecutive calendar days from the date you were hired as a permanent or long-term nonpermanent employee, you do not have to show evidence of your good health. If you do not enroll within that time, you must furnish the life carrier with satisfactory evidence of your good health to become covered. The life carrier may ask that you have a medical examination at your expense.

Premiums

The premiums for Optional Life Insurance are deducted from your paycheck. Premiums are calculated based on your age and salary at enrollment. A list of premiums may be obtained from your human resources office, the division, or its web site.

If your salary or age changes, the amount of your Optional Life Insurance and premium is recalculated annually to reflect those changes.

Premium rates are subject to change each year.

When Coverage Begins

Your Optional Life Insurance is effective on the first day of the month for which you pay the premium, but not earlier than the first day of the month following 30 days of employment. For example, if you are hired May 15 and sign up at that time, your first premium deduction is made in July so you are covered from July 1.

Amount of Optional Life and AD&D Coverage

If you die from any cause, your Optional Life pays your beneficiary the full amount of your insurance.

If you die from an accident, your Optional AD&D insurance pays your beneficiary an additional benefit equal to the value of your Optional Life Insurance benefit.

Besides the full amount of Optional Life Insurance, Optional AD&D benefits are payable for losses that occur within 100 days of an accident and as a result of accidental bodily injury, independent of all other causes, for loss of life, or loss of both hands, both feet, sight of both eyes or any such combination. One-half of the full amount is payable if you lose one hand, one foot, or the sight of one eye.

As used above, “loss” for hands and feet means complete severance through or above the wrist or ankle joint; for eyes, complete and irrevocable loss of sight. Loss of sight must be certified as being entire and irrecoverable by a licensed physician specializing in ophthalmology and certified by the American Board of Ophthalmology.

Optional AD&D Exclusions

AD&D benefits are not payable if the loss directly or completely results:

- from suicide or any attempted self-destruction while sane or insane;
- from declared or undeclared war, or any act of war;
- either directly or indirectly from illness or disease or bacterial infection other than infection that occurs simultaneously with and because of an accidental cut or wound; or

- from service in the armed forces of any country or international authority unless the service does not exceed 30 days.

PAYMENT EXAMPLES

The following examples show how payments are made under the Basic Insurance and Optional Insurance plans, assuming Optional Life Insurance of \$20,000.

- **Life Insurance Payment with Basic Insurance only:**

Nonaccidental death	\$ 2,000	Basic Life
Accidental death	\$ 2,000	Basic Life
	<u>5,000</u>	Basic AD&D
	\$ 7,000	Total

- **Life Insurance Payment with \$20,000 of Optional Insurance:**

Nonaccidental death	\$ 2,000	Basic Life
	<u>20,000</u>	Optional Life
	\$ 22,000	Total
Accidental death	\$ 2,000	Basic Life
	20,000	Optional Life
	5,000	Basic AD&D
	<u>20,000</u>	Optional AD&D
	\$ 47,000	Total

- **Dismemberment Payment with Basic Insurance only:**

Loss of one eye, foot or hand	\$ 2,500	Basic AD&D
Loss of both eyes, feet or hands or any combination thereof	\$ 5,000	Basic AD&D

- **Dismemberment Payment with \$20,000 of Optional Insurance:**

Loss of one eye, foot or hand	\$ 2,500	Basic AD&D
	<u>10,000</u>	Optional AD&D
	\$ 12,500	Total
Loss of both eyes, feet or hands or any combination thereof	\$ 5,000	Basic AD&D
	<u>\$ 20,000</u>	Optional AD&D
	\$ 25,000	Total

WHEN COVERAGE ENDS

Coverage under the Basic and Optional Life and AD&D ends at the earliest time that one of the following occurs:

Employees on Leave Without Pay or Layoff

Coverage ends on the last day of the month in which you were last in pay status. For example, if you worked or were in paid leave status on January 15 and then placed on leave without pay or layoff, coverage ends on January 31.

If your leave without pay occurs while you are on federal family leave, your Basic Life coverage will be extended to the end of the month in which your federal family leave ends. Optional Life terminates at the end of the month in which you were last in pay status regardless of federal family leave.

Employees Who Terminate Employment

Coverage ends on the last day of the month in which you last worked. For example, if you last worked on January 15 and terminated your employment, coverage ends on January 31.

Dependents

Coverage for a dependent ends on the same day as the employee's coverage ends, unless:

- you are divorced. Coverage ends on the date the divorce is final; or
- your child no longer meets all eligibility requirements. Coverage ends on the last day of the month in which the child first fails to meet these requirements.

HOW TO CONTINUE COVERAGE

Employees on Leave Without Pay or Layoff

You may continue your Basic and/or Optional Life coverage while on leave without pay or layoff by paying the monthly premium to the life carrier. You should make a check payable for the monthly premium(s), note your social security number and the policy number on it and send it to the life carrier. The policy number and carrier address are available from your human resources office or the division.

Employees Who Terminate Employment

If your insurance ends because you terminate employment or transfer to a class of employees not eligible under this Life plan, you may convert your State Optional Life insurance. You may convert to any form of individual policy of insurance (without double indemnity or disability riders) that the life carrier customarily issues, except a policy of term insurance. This coverage amount may not exceed the amount for which you were eligible as an employee.

If you terminate employment or die, your spouse may convert his or her basic life insurance to any form of individual policy of insurance (without double indemnity or disability riders) that the life carrier customarily issues, except a policy of term insurance. The amount that your spouse converts may not exceed the amount for which your spouse was eligible under the Group plan (\$1,000).

The conversion privilege is not available for children covered under the Life plan.

You have 31 consecutive calendar days from the date your coverage ends to apply for conversion and pay the required premium following termination. The premium reflects your attained age and class of risk. You do not have to provide evidence of insurability. If you or your spouse die within this 31-day period, the amount of insurance you are entitled to convert is paid to you or your beneficiary even if you have not applied for conversion.