

UNIVERSITY OF MISSOURI

*Life Insurance
Plan*

Effective January 1, 2005



This booklet is designed to provide an overview of the University of Missouri's Life Insurance Plan. While the University hopes to offer participation in these plans indefinitely, it has the right to amend or terminate any benefit plan. In addition to this booklet, the University plans to continue to use other methods of communication such as memos, meetings, newsletter articles or electronic media to help you stay informed.

It's important for you to have a good understanding of all this plan has to offer. Please review this booklet carefully. If you have questions, contact your Campus Benefits Representative at the appropriate address or phone number shown below.

UM, Retired and Columbia Campus

Faculty & Staff Benefits
201 S. 7th Street
114 Heinkel Building
Columbia, MO 65211-1330
(573) 882-2146 FAX (573) 882-9603
benefits@umsystem.edu
retirement@umsystem.edu

Rolla Campus

Human Resource Services
113 University Center East
11th and Rolla Streets
Rolla, MO 65409-1050
(573) 341-4241 FAX (573) 341-4984
benefits@umr.edu

Hospital

Office Location: Human Resource Dept.
2401 LeMone Industrial Dr.
U.S. Mail Address: One Hospital Drive
Room 1W46
Columbia, MO 65212
Campus Mail: DC230.00
(573) 882-9086 FAX (573) 884-7107
JeneyM@health.missouri.edu

St. Louis Campus

Office Location: Human Resource Dept.
211 General Services Bldg.
Mark Twain Drive
U.S. Mail Address: Univ. of Missouri-St. Louis
Human Resource Dept.
211 General Srvcs Bldg.
One University Blvd.
St. Louis, MO 63121
(314) 516-5639 FAX (314) 516-6463
joann_westbrook@umsl.edu

Kansas City Campus

Office Location: Human Resource Dept.
226 Admin. Center
5115 Oak Street
Kansas City, MO 64112
U.S. Mail Address: University of Missouri-Kansas City
Human Resource Dept.
226 Admin. Center
5200 Rockhill Road
Kansas City, MO 64110
(816) 235-1622 FAX (816) 235-5515
benefits@umkc.edu

Faculty & Staff Benefits Department Webpage:

<http://www.umsystem.edu/ums/departments/hr/benefits>

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The Life Insurance Plan provides your family with valuable financial protection in the event of your death.

The plan offers two levels of life insurance under a basic life insurance program as well as a supplemental coverage option. The benefits available under each are described in this booklet.

This summary is designed to give you an overview of the major points of the plan. The basic plan is underwritten by Minnesota Life under group policy number 32898G. The supplemental program is underwritten by Minnesota Life Insurance Company under group policy number 32898G. If any description in this summary differs from the policy, the terms of the policy will be followed.

Benefit summary

The Life Insurance Plan offers you the following coverage options:

Option	Benefit amount	Who pays for this coverage?
<i>Basic Life Insurance</i>		
Group Term Life Insurance Plan A	One times base salary	The University
- or -		
Group Term Life Insurance Plan B	Two times base salary	The University and you
<i>Supplemental Life Insurance</i>		
Optional group term life insurance	One, two or three times base salary	You

What is group term life insurance coverage?

Group term life insurance provides a benefit when you die. The death benefit is equal to the coverage amount in effect at that time and is payable to your beneficiary.

Am I eligible for coverage?

If you are an active employee of the University, you are eligible for coverage, provided you also meet the following conditions:

- You are classified 75% FTE or more.
- You have an appointment duration of at least nine months.
- You are regularly scheduled to work an average of 30 hours a week.

A per diem employee is excluded as an Employee under this Plan.

When does coverage begin?

Basic Life Insurance

You may select between Group Term Life Insurance Plan A and Plan B at initial enrollment.

Plan A and Plan B (if applicable) coverage begins on the date of hire or the benefit eligibility date provided you have submitted your enrollment form within 30 calendar days of your date of hire or date of benefit eligibility. If you enroll later, during an Annual Enrollment Change Period, coverage is effective on the date of approval.

If you are not actively at work due to an illness or injury on the date your coverage would otherwise begin, coverage will not be effective until the date you return to active full-time employment.

Supplemental

Evidence of Good Health is required for this plan. Contact your Campus Benefits Representative for enrollment material. Coverage is effective the first of the month on or after date approved by Minnesota Life.

If you are not actively at work due to an illness or injury on the date your coverage would otherwise begin, coverage will not be effective until the date you return to active full-time employment.

Who pays for this coverage?

Basic Life Insurance

The cost of your coverage depends on the level of group term coverage you choose.

If you choose Plan A, the University will pay the full cost of coverage.

If you choose Plan B, the plan giving a higher level of coverage, the additional cost will be shared by you and the University. The amount of contribution required will be determined annually by the insurance company.

Your contribution will be made on a before-tax basis unless you elect otherwise. This before-tax advantage is explained in the *Flexible Benefits Plan* booklet.

According to Internal Revenue Service rules, an employee must recognize the value of group term life insurance coverage in excess of \$50,000 as additional taxable income (as calculated using life insurance premium statistics published by the IRS). This income will be reflected on your annual W-2 form.

Supplemental Life Insurance

You pay the entire premium for this coverage.

Premiums for the Optional Group Term Life Plan increase as you get older.

How much coverage do I have?

Basic Life Insurance

The amount of your coverage depends on your salary and the level of coverage you choose.

Your salary is your annualized salary as of the date of death, excluding any additional pay for special services, overtime or summer terms and intersessions. (For this purpose, your annualized salary is rounded up to the next \$1,000, if not already an even multiple.)

- Plan A provides a benefit of 1 x your salary.
- Plan B provides a benefit of 2 x your salary.

As long as you are actively working, your group term insurance under Plan A or Plan B will not be terminated, but the amount of coverage will be reduced at certain ages as shown below:

Age as of December 1	Percentage of benefits
Younger than 55	100%
55-59	75%
60-64	50%
65-69	35%
70 and older	20%

These reductions are effective on the January 1 following the December 1 that you reach the specified age.

To figure the amount of your life insurance after age 55:

1. Multiply your base salary by 1 (Plan A) or 2 (Plan B).
2. Apply the percentage shown for your age to that amount.

For example, if your salary at age 58 is \$25,000, and you are covered under plan option B (two times salary), your life insurance benefit is \$37,500.

$$(\$25,000 \times 2 = \$50,000 \times 75\% = \$37,500)$$

Supplemental Life Insurance

You may choose an amount of coverage equal to 1X, 2X or 3X your base salary. Coverage will be rounded up to the next \$5,000 if not already an even multiple, to a maximum of \$1 million. The minimum amount of coverage is \$20,000, even if you earn less than that annually.

Your base salary is your annual salary as of November 1 of the preceding calendar year, excluding any additional pay for special services, overtime, summer terms or intersessions.

What happens if my salary changes?

Your coverage will be adjusted as described below, however, if you are not actively at work due to an illness or injury on the date an increase would otherwise take place, the increase will be postponed until you return to full-time active employment.

Basic Life Insurance

The amount of your coverage automatically changes when your salary changes.

Supplemental Life Insurance

Your coverage will be adjusted each January to reflect any change in your base salary as of the prior November 1.

May I change my choice of coverage?

Basic Life Insurance

You may increase your coverage from Plan A to Plan B by submitting satisfactory evidence of insurability during the Annual Enrollment Change Period. You will be notified of acceptance or declination and the effective date of coverage.

If you are not actively at work due to an illness or injury on the date the change would otherwise take place, the change will be postponed until you return to full-time active employment.

The rules governing changes in coverage purchased with before-tax contributions are explained in the *Flexible Benefits Plan* booklet.

Supplemental Life Insurance

You may increase or decrease your coverage at any time. You will be required to provide evidence of insurability if you wish to increase your coverage.

How do I designate my beneficiary?

Basic Life Insurance and Supplemental Life Insurance

When you enroll for coverage, you should name a beneficiary to receive benefits in the event of your death. You may name a different beneficiary at any time by completing a new beneficiary designation form.

How are benefits paid?

Basic Life Insurance and Supplemental Life Insurance

The insurance company will pay benefits to your beneficiary upon receiving written proof of your death.

Accelerated Benefits

The plan will pay accelerated benefits, up to 100% of the face amount, in lieu of death benefit for insured with a life expectancy of 12 months or less.

What happens when I retire?

Basic Life Insurance

If you retire before age 70, the coverage in effect at retirement may be continued provided you agree to pay any required contributions. However, it will be reduced at ages 55, 60 and 65 in the same manner as for active employees. Your coverage as a retiree will end when you reach age 70. You may, however, convert to a personal life insurance policy.

Supplemental Life Insurance

You may continue coverage under the optional group term life insurance when you retire only by paying your premiums to the University.

When will this coverage end?

Basic Life Insurance and Supplemental Life Insurance

Coverage will end on the earliest of the following dates:

- The date you stop making contributions, if required.
- The date you are no longer eligible for coverage.
- The date the University discontinues this plan.

When your basic or optional group term coverage ends, you can convert all or part of your life insurance to an individual insurance policy. You will not have to pass a medical exam to qualify for coverage. However, you must submit your application and first premium payment within 31 days after your group coverage terminates. The premiums for this coverage will depend on the type of policy you choose and your age.

Coverage will remain in effect during an authorized leave of absence if you pay the required monthly contributions, if any, in advance.

Under Supplemental Life Insurance only, if you become totally and permanently disabled before you reach age 60, you will be eligible for a premium waiver. This means that, starting 180 days after your disability begins, you will not have to pay premiums for your coverage if the required proof is submitted to, and approved by, the insurance company. This benefit will remain in effect until you recover, reach age 65 or die, whichever comes first.

Notes: