

LIFE INSURANCE

Like planning for a long trip, planning for your future means anticipating unforeseen difficulties. Though unpleasant to think about, your death could leave your loved ones with an added financial burden. LSU offers several options to assist you in providing protection and financial security for you and your family. These options include term life insurance and universal life insurance.

WHAT IS TERM LIFE INSURANCE COVERAGE?

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. Term life insurance covers you for as long as your premium is paid. It does not build cash value to borrow against or to receive upon cancellation of the policy.

WHAT IS UNIVERSAL LIFE INSURANCE COVERAGE?

Universal life insurance, like term life insurance, provides a benefit when you die. The benefit is equal to the coverage amount in effect when you die and is payable to your beneficiary.

Unlike term insurance, universal life also includes a savings fund that earns tax-deferred interest at competitive rates. Any savings and earned interest are available to you for withdrawal or can be held “in reserve” to continue coverage if you elect to stop paying premiums for periods of time. At retirement, you can withdraw some or all of your savings, or use your money to buy paid-up life insurance. The balance of your savings fund will be paid to your beneficiary if you die before withdrawing your money.

HOW MUCH LIFE INSURANCE IS ENOUGH?

To choose the amount of coverage that is right for you and your family, begin by thinking about what your family would need to maintain their lifestyle if they no longer had your income. How long do you wish to provide financial support for your family? Multiply the number of months by what they would need for housing, education, installment debt, and on-going expenses such as food, utilities, etc. From this total, subtract the amount of any coverage you already have in place. The difference is the amount of life insurance you should consider.

WHAT LIFE INSURANCE PLANS ARE AVAILABLE THROUGH LSU?

LSU employees may choose among these life insurance plans:

- UNUM Life Insurance (group term life)
- Group Benefits Life (group term life)
- Relia-Star Life (group universal life)

AM I ELIGIBLE FOR LIFE INSURANCE COVERAGE?

You are eligible if you are a full-time employee and are regularly scheduled to work at least 30 hours per week (75 percent of full-time), with an appointment extending beyond 180 days.

WHEN AND HOW DO I ENROLL?

You may enroll within 30 days of your employment or eligibility.

WHAT IF I DO NOT ENROLL WHEN FIRST ELIGIBLE?

If you do not enroll during your first eligibility period, you may apply for coverage anytime thereafter by providing proof of insurability. If approved, your life insurance will be effective on the date the insurance company approves coverage.

WHAT ARE THE FEATURES OF THE UNUM LIFE INSURANCE PLAN?

This plan allows you to choose the amount of term life coverage you need and to pay for it through payroll deduction. Rates under this plan are determined by age and amount of life coverage selected. In addition to being able to choose your coverage amount, you can adjust it as your needs change.

The minimum coverage you can purchase is \$10,000 and the maximum is up to five times the amount of your annual salary up to a \$500,000 maximum. The guaranteed issue option allows you to purchase up to \$50,000 of life insurance regardless of your health, provided you enroll within 30 days of your employment or initial eligibility period. Coverage is available for your spouse and dependents, but requires evidence of insurability. This program also includes accidental death and dismemberment insurance that is in addition to life coverage.

You are eligible for coverage if you are an active employee of the University who is appointed 75 percent paid time or greater for one semester, or 181 days. To enroll, complete and sign the UNUM enrollment form and submit it to the Benefits Service Center.

Sample Premium Calculation

Employee (nonsmoker, age 36)	\$50,000 coverage	5 (units) x \$1.22	\$6.10
Spouse (age 32)	\$25,000 coverage	5 (units) x \$0.65	\$3.25
Child(ren)	\$6,000 coverage	3 (units) x \$0.47	\$1.41
Total Payroll Deduction			\$10.76

For additional information, contact the Benefits Service Center, (225) 578-8200, or:

Creighton DuPont	Phil Pasley, IMA
P.O. Box 45050	1325 Barksdale Blvd., Suite 300
Baton Rouge, Louisiana 70895	Bossier City, Louisiana 71111
(225) 927-3736	(318) 747-0577

WHAT ARE THE FEATURES OF GROUP BENEFITS LIFE?

This term life insurance plan is offered by Group Benefits and is underwritten by Prudential. The state pays half the life insurance premium for the employee or retiree. If you are an active employee, your premiums are eligible for tax sheltering under the University's *Tax-Saver Flexible Benefits Plan*. You have the option of enrolling in the Basic Plan (\$5,000 face amount) or Basic Plus Supplemental Plan. Coverage available under the Basic Plus Supplemental Plan is based on 1.5 times the amount of your salary. The maximum coverage available is \$50,000. Either plan includes the option of dependent life insurance for your spouse and eligible children. You pay the entire premium for the dependent life coverage. Accidental death and dismemberment benefits are available through either plan to all active employees and to retirees under age 70.

You are eligible for this plan if you are an active LSU employee appointed at 75 percent paid time or greater for more than 120 days.

Following is a brief summary of coverage options and cost:

Basic Plan

Coverage Your Monthly Premium
Employee \$5,000 \$0.46/\$1,000 of coverage

Dependent
Spouse \$1,000 & Child \$500 \$0.90/month
Or
Spouse \$2,000 & Child \$1,000 \$1.80/month

Basic Plus Supplemental Plan

Coverage Your Monthly Cost
Employee 1.5 x annual salary
(\$50,000 maximum) \$0.46/\$1,000 of coverage
Dependent
Spouse \$2,000 & Child \$1,000 \$1.80/month
Or
Spouse \$4,000 & Child \$2,000 \$3.60/month

Sample Premium Calculation

12-month employee (\$50,000 coverage)	50 x \$0.46	\$23.00/mo.
9-month employee (\$50,000 coverage)	50 x \$0.46	\$23.00
\$23.00 x 12 months, divided by 9 months		\$30.66/month

For additional information, contact the Benefits Service Center, (225) 578-8200.

DOES GROUP BENEFITS OFFER ADDITIONAL COVERAGE?

Yes. You can elect Office of Group Benefit’s Optional Life Insurance plan that is also underwritten by Prudential. This coverage allows you a guarantee issue amount of up to one, two, or three times what your current guarantee issue amount is under Group Benefits Life Insurance up to a maximum benefit of \$200,000.

Unlike the premiums for the Group Benefits Basic or Supplemental Life, the premiums for the Optional Life Coverage are age-rated and will increase as you get older.

AM I ELIGIBLE FOR COVERAGE?

You are eligible if you are an active employee regularly scheduled to work at least 30 hours per week (75 percent or full-time) with an appointment extending beyond 120 days. You also must be enrolled into either the Group Benefits Basic Life or Supplemental Life Policy.

You must be enrolled for Optional Term Life to elect coverage for your dependents.

WHAT ARE THE FEATURES OF THE RELIA-STAR LIFE AND ACCIDENT PLAN?

This plan provides you, your spouse, and your eligible children with simplified issue universal life insurance coverage. You can apply for coverage for your family members without having to apply for coverage for yourself. Based on your age, you can apply for \$5,000 to \$150,000 in coverage. Your premium will start at \$13/month. If you leave the LSU System, your policy is portable at the same monthly rate. If you apply more than 30 days after beginning employment, you will be required to answer health questions and provide evidence of insurability. You are eligible to participate, if you are an active LSU employee, appointed 75 percent paid time or greater for one semester or 181 days. For additional information, or to enroll, contact:

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