

Life Insurance for Disabled Employees: Premium Waiver Benefit

The State of Delaware's Group Universal Life (GUL) insurance plan includes an important feature to protect disabled employees. If you become totally disabled while enrolled in the GUL plan, you will not be billed for your employee only life insurance premium for as long as you are deemed totally disabled or until you attain age 65, whichever occurs first. Additionally, as a "premium waiver beneficiary", your GUL coverage will *not* be reduced by 50% upon employment separation; however, your Accidental Death and Dismemberment (AD&D) coverage will terminate upon the commencement of the premium waiver benefit. If applicable, you may continue funding the cash value account by paying additional premium payments yourself directly to Securian Financial. Also, if you want to continue any spouse and/or child dependent Term life insurance you have in force during active employment, you must contact Securian Financial directly within 30 days to convert those coverage(s) to an individual policy.

Eligibility

In order to be eligible for this benefit, you must be enrolled in the GUL plan for at least one year prior to becoming totally disabled. If you become totally disabled after this one-year period and are approved for the premium waiver benefit, your employee only premium will be paid on your behalf after the exhaustion of the elimination period or when you are approved for the benefit, whichever is later. Once you have been approved, you will be asked from time to time to provide proof that you continue to be totally disabled. If you fail to provide such proof to Securian Financial, your GUL insurance premium will no longer be paid for you and you must resume paying the premiums to retain the coverage.

Definition of Total Disability

Employees with a Date of Disability on or after January 1, 2013

"Total disability" or "totally disabled" means that during the 6 month elimination period and subsequent 24 months, you are prevented from performing one or more of the essential duties of your occupation and as a result, your current monthly earnings are less than 80% of your pre-disability earnings; after those 30 months, you are prevented from performing one or more of the essential duties of any occupation for which you are fit through education, experience or training.

Applying for Premium Waiver

Employees enrolled in the Disability Insurance Plan (DIP)

Employees awarded Long Term Disability (LTD) benefits by The Hartford who are enrolled in the GUL plan will automatically be awarded waiver of premium status by Securian Financial for as long as you are deemed to be totally disabled or until you attain age 65, whichever occurs first. Premium for dependent life coverages, if applicable, must continue to be paid by the employee.

Employees retiring on disability or already retired

Employees, who are retiring on disability or are already retired and are not enrolled in the Disability Insurance Program (DIP), **must** apply for the waiver of premium benefit in the GUL plan by completing and submitting a “Notice of Disability” and “Attending Physician Statement” directly to Securian Financial for consideration. The “Notice of Disability” and “Attending Physician Statements” are posted on the Statewide Benefits Office website at de.gov/statewidebenefits (select your group, then choose Life Insurance).

Termination or Exhaustion of the Premium Waiver Benefit

If you cease to be totally disabled prior to age 65, or if you fail to give proof of your continued disability when requested by Securian, the payment of your life insurance premium will cease, but you may continue your coverage if you promptly resume paying the applicable premium for the coverage according to your date of hire as shown below:

Hired prior to July 1, 2015

Portability – If you leave or retire from a benefit eligible active position, you will be able to port (take with you) 50 percent of your GUL coverage amount at a group rate and all Dependent Term Life coverage in effect as of your last day of employment. Monthly “ported” GUL and AD&D rates are displayed on the SBO website and may be higher than those paid by active employees.

Conversion – You may convert the remaining 50 percent of your GUL coverage amount (based on attained age) into an individual policy, if applied for within 30 days of employment termination or retirement from a benefit eligible position. Dependent Term Life can be converted to individual policies within 30 days of eligibility expiration (a dependent child aging out) or upon the approval of premium waiver for the employee.

Hired on or after July 1, 2015

Please note: Applies to employees hired, transferred or rehired into a benefit eligible position as of July 1, 2015.

Portability – If you leave or retire from a benefit eligible active position, you will be able to port (take with you) 100 percent of your GUL coverage amount and all Dependent Term Life coverage in effect as of your last day of employment. Premiums are based on the vendor’s (Securian’s) pooled rates which may be higher than those paid by active employees.

Conversion – You can convert 100 percent of your GUL coverage (based on attained age) into an individual policy if applied for within days of employment termination or retirement from a benefit eligible position. Dependent Term Life can be converted to individual policies within 30 days of eligibility expiration (a dependent child aging out) or upon the approval of premium waiver for the employee. Converted rates are higher than ported rates.

Summary

Please contact Securian Financial directly by telephone at 1-877-215-1489 or by email at lifebenefits@securian.com for more information regarding your coverage. You may also contact the Statewide Benefits Office Customer Service Team by telephone at 1-800-489-8933 or by email at benefits@delaware.gov with questions regarding the GUL plan.

During the period that you remain totally disabled, you must alert Securian Financial of any change to your address and/or telephone numbers. If you are also enrolled in a life insurance plan sponsored by your school district, please contact your district representative for instructions on applying for the waiver of premium benefit, if applicable.

While the State hopes and intends to continue this “premium waiver” feature indefinitely, the State reserves the right at any time, in its sole discretion, to modify or eliminate this feature, without advance notice to employees or disabled employees.