Voluntary Term Life Insurance

General Information

Principal Financial Group is the insurer for the Voluntary Term Life Insurance.

- In addition to Group Term Basic life insurance/AD&D,
- You may purchase additional 1, 2, 3 or 4 of your budgeted annual salary (rounded to the nearest $1,000) in Voluntary Term Life Insurance.
- The plan requires that you enroll in Group Term Basic Life/AD&D in order to purchase Voluntary Term Life coverage.

A Summary Plan Document/ Group Life Insurance Booklet-Certificate of Coverage that briefly describes the right and benefits of the life insurance located on the benefits web page: http://www.hrs.iastate.edu/hrs/node/594/attachment. This is your certificate while you are insured.

This overview covers the following topics:

- Eligibility Requirements
- Enrollment/Date Coverage Begins
- Coverage Options
- Premiums
- Accidental Death and Dismemberment
- Coverage During Disability
- Accelerated Benefit
- Portability
- Beneficiary Designation

Eligibility Requirements

- ½ time or more
- Appointed for 9 months or longer
- Required enrollment in Group Term Basic Life Insurance

Enrollment/Date Coverage Begins

- New Hire
  - Guaranteed coverage for the levels of 1 times or 2 times your annual salary; if enrolled prior to your assigned deadline and coverage will become effective the first of the month following employment date, unless you begin on the first working day of the month.
Coverage for the levels of 3 or 4 times your annual budgeted salary, require evidence of insurability by completing the Principal Statement of Health Questionnaire. The effective date would be upon notification of approval from Principal Financial Group. If coverage is denied you will maintain the 2 times your annual budgeted salary level.

- **Annual Open Change Period**
  - You may apply to begin, increase or decrease Voluntary Life Insurance coverage during the open change period.
  - If you apply for coverage or wish to increase coverage after initial eligibility, you will be required to complete a Principal Statement of Health Questionnaire.
  - If approved by the underwriting, coverage will begin on the date determined by Principal Financial Group. If increasing coverage and are denied you will maintain the current enrollment level.

Voluntary Term Life Insurance coverage may be dropped at any time. You must request to drop in writing and the insurance will be dropped by the 1st of the month following the day your written request is received by the Benefits Office.

**Coverage Options**

You have four options for Voluntary Term Life Insurance Coverage:

- 1 times your annual budgeted salary (rounded to the nearest $1,000)
- 2 times your annual budgeted salary (rounded to the nearest $1,000)
- 3 times your annual budgeted salary (rounded to the nearest $1,000)
- 4 times your annual budgeted salary (rounded to the nearest $1,000)

Minimum: Greater of 1 times your annual budgeted salary or $10,000  
Maximum: Lesser of 4 times your annual budgeted salary or $500,000

Guaranteed coverage under age 70: the lesser of 2 times your annual budgeted base salary or $500,000  
Guaranteed coverage over age 70: the lesser of 2 times your annual budgeted salary or $10,000

**Premiums**

The premium for Voluntary Term Life Insurance coverage is paid with post-tax dollars. The premiums are automatically deducted from each payroll throughout the year.

The premium rates for Voluntary Term Life Insurance are based on your age and your budgeted annual salary. Premiums will increase in January of the year you attain the age of a new tier.

To calculate rate: round your annual budgeted salary to the nearest $1,000, multiply by the level of coverage you are applying (1, 2, 3 or 4), then divide by $1,000 and multiply the cost of your age group.
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<th>Age</th>
<th>Cost</th>
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<tr>
<td>Under 29</td>
<td>$0.07</td>
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<tr>
<td>30-34</td>
<td>$0.08</td>
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<td>35-39</td>
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<td>40-44</td>
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<td>50-54</td>
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<td>55-59</td>
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<td>65-69</td>
<td>$1.19</td>
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<td>70 &amp; over</td>
<td>$3.12</td>
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**Voluntary Term Life & AD&D**

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**Accidental Death & Dismemberment**

You receive an additional benefit equal to your Voluntary Term Life Insurance amount for loss of life, hands, feet or vision as the result of an accident. Coverage includes payment for injuries arising from or during employment for wage or profit for insured employee. The loss must occur within 365 days of the accident. There are several other benefits included with AD&D, see the Summary Plan Document/Group Life Insurance Booklet-Certificate of Coverage for details: [http://www.hrs.iastate.edu/hrs/node/594/attachment](http://www.hrs.iastate.edu/hrs/node/594/attachment).

**Coverage During Disability**

If you become totally disabled and all leave is exhausted, coverage will continue and premium will be waived for you. Coverage continues without premium payment until total disability ends or the June 30th following the date you attain age 70, or you begin to withdraw from your retirement account, whichever occurs first.

No benefits will be paid for any disability that results from willful self-injury, or self-destruction, while sane or insane, war or act of war, voluntary participation in an assault, felony, criminal activity, insurrection or riot.

**Accelerated Benefit**

An accelerated benefit is an advance (before death) payment of a part of your member life insurance benefit. For qualifications see the Summary Plan Document/Group Life Insurance Booklet-Certificate located on the Benefits web page: [http://www.hrs.iastate.edu/hrs/node/594/attachment](http://www.hrs.iastate.edu/hrs/node/594/attachment).
Portability

You may continue coverage for yourself until age 75 if you cease to qualify as a member. The employee must be less than age 75 and enroll within 60 days from the date they cease to qualify as a member.

When insurance coverage terminates as an active employee, you may be eligible to continue insurance under a Group Life Portability Insurance Policy underwritten by Principal Financial Group. The Group Life Portability Policy will contain provisions that differ from the Group Policy. You will have the option to continue the insurance coverage under this option. If coverage is ported, there are several reasons the coverage would terminate, review the details on the Summary Plan Document, found on Benefits web page:  [http://www.hrs.iastate.edu/hrs/node/594/attachment](http://www.hrs.iastate.edu/hrs/node/594/attachment).

Beneficiary Designation

The beneficiaries you designate for your Group Term Basic Life/AD&D coverage may also be the beneficiaries for your Voluntary Term Life Insurance. Unless, you designate on the Principal Beneficiary Designation/Change Form different beneficiaries for your Voluntary Term Life Insurance.

If you list more than one primary beneficiary, the payable benefits will be divided percentage between the named beneficiaries as specified.

Contingent beneficiaries may also be listed on the Principal Beneficiary Designation/Change Form. Contingent beneficiaries receive benefits only if all primary beneficiaries are deceased.

If any beneficiaries are minors, under age 18 according to the Uniform Transfers to Minors Act, a custodian for such beneficiary may be named on the Principal Beneficiary Designation/Change Form for the proceeds to be payable to the beneficiary. If a custodian is not named, the funds will remain in an annuity with Principal Financial Group until the child reaches age 18.

You may change the beneficiary designation at any time during the year:

- The Principal Beneficiary Designation/Change Forms are available on the Benefits Office website under employment classification and then under the section of “Life” or the “Forms” section [http://www.hrs.iastate.edu/hrs/node/648/attachment](http://www.hrs.iastate.edu/hrs/node/648/attachment).

- For questions, please contact:
  - University Human Resources Service Center
  - 3810 Beardshear Hall, 515 Morrill Road, Ames, IA  50011
  - Phone: 515-294-4800 / 877-477-7425
  - Fax:  515-594-8226
  - Email:  benefits@iastate.edu

- Beneficiary change form must be returned to 3810 Beardshear Hall for processing. **Do not send to Principal Financial Group.**