

FREQUENTLY ASKED QUESTIONS

Pima County Group Term Life and AD&D Insurance Plan

QUESTION: Is Pima County providing any coverage to me?

ANSWER: The County provides you with \$10,000 of life insurance and \$10,000 of Accidental Death and Dismemberment insurance. The County pays the cost of this coverage.

QUESTION: Can I purchase coverage beyond what is provided?

ANSWER: You can purchase coverage equal to one, two, three, or four times your annual earnings (rounded to the next higher \$1,000) to a maximum of \$500,000.

QUESTION: When can I elect additional coverage?

ANSWER: You can purchase Supplemental coverage during your first 31 days of eligibility, at annual enrollment, or if you have a family status change.

QUESTION: Will I need to answer medical questions to get the additional insurance?

ANSWER: It depends. If you are enrolling during your first 31 days of eligibility, you will not need to answer health questions. If you are enrolling at annual enrollment or due to a family status change, you will need to complete an Evidence of Insurability form, which includes three health questions and asks for your height and weight.

Approximately 80% of the time, Minnesota Life can complete the underwriting process based on your answers and nothing additional is needed. However, based on your medical history or your answers, additional medical underwriting may be required. This could include a release of medical records and/or a paramedical exam. If an exam is required, it's free of charge and the examiner comes to your home or work, or another place convenient for you. And, you can request a complimentary copy of the results for your doctor's file.

QUESTION: Can I purchase life insurance coverage for my spouse/domestic partner or children?

ANSWER: Yes. \$5,000 is available for your spouse/domestic partner coverage and \$2,000 for each eligible child under the age of 25.

QUESTION: Will my spouse/domestic partner or children need to answer health questions?

ANSWER: It depends. If you are enrolling them within 31 days of your initial eligibility, or within 31 days of marriage/partnership (for spouse/partner) or birth/adoption (for child) then health questions are not required. If you are enrolling at annual enrollment and there hasn't been a recent family status change, health questions will be required.

QUESTION: When is my coverage effective and when do coverage changes take place?

ANSWER: Your coverage and any changes (elections you make as well as updates due to earnings changes) will be effective the pay period following the change. If an evidence of insurability form is required, your increase will be effective the pay period following Minnesota Life's approval. You must be actively at work for any coverage increases to be effective.

QUESTION: What age reductions apply to my plan?

ANSWER: Age reductions apply only for employees, as follows.

Life Insurance and AD&D for employees

- age 75, coverage reduces to 65% of the original amount
- age 80, coverage reduces to 35% of the original amount

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QUESTION: Are there special features about this plan that I should know about?

ANSWER: This plan offers a provision called the Accelerated Death Benefit that allows you to access your death benefit if you are diagnosed with a terminal illness (less than 12 months to live). It is designed to help you and your family when you need it most.

There is a Waiver of Premium provision. If you become disabled before age 60, your premiums will be waived to age 65 or recovery, whichever is sooner, provided your claim is approved by Minnesota Life.

Beneficiary Financial Counseling is available to all beneficiaries receiving at least \$25,000 in proceeds. This service offers objective and independent financial counseling for the beneficiary of group life insurance. The Beneficiary Financial Counseling program is provided by PricewaterhouseCoopers LLP (PwC). The financial counselors of PwC are experienced Certified Financial Planners, Certified Public Accountants, Attorneys and Personal Financial Specialists. Each one is trained in bereavement issues and is mindful of the highest ethical standards and need for client confidentiality. *PwC does not sell financial products or services. Their sole concern is the financial well being of the individuals they serve.*

QUESTION: Can I continue coverage beyond my employment at Pima County?

ANSWER: Yes. You may have the choice of Portability or Conversion. Both options are explained in detail in the Portability Election Packet, which includes the Portability Election Form. If you are interested in Conversion, there is a separate Conversion Form.

QUESTION: What happens if something happens to me and I don't have a beneficiary on file or my beneficiary has predeceased me?

ANSWER: We will pay the proceeds in the following preferential order to a living family member(s): spouse, children, parents, brothers/sisters, estate. Note domestic partners are not included. If you have a domestic partnership, please name your beneficiaries appropriately.

QUESTION: What happens if I name a minor child as my beneficiary?

ANSWER: If you pass away with a minor listed as primary beneficiary, the legal guardian of the child's estate will need obtain certification that they are the legal guardian. This is called Certified Letters of Administration. The Letters are obtained through the court and there is a charge. (The guardian would likely need to get Letters for other reasons.) Our understanding is that each year, the guardian needs to provide an accounting to the court regarding how the life insurance proceeds were spent for the child.

If the child is close to the age of majority (18 in AZ) another option is to keep the proceeds with Minnesota Life until age 18. Interest would accumulate during this time.

A trust allows you to avoid issues related to minor beneficiaries. Naming a trust, with a trustee, is the most clear-cut way to lay out how you want the proceeds to be handled. Some trusts hold the benefits to be turned over to the child when he or she is of legal age, others are used to pay for expenses along the way, or a combination.

QUESTION: When can I change my beneficiary?

ANSWER: You can change your beneficiary at any time. It's especially important to review your designation when you have a family status change.

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QUESTION: What is the difference between a primary and contingent beneficiary? Why should I name a contingent beneficiary?

ANSWER: A contingent beneficiary is there to “backup” the primary in case the primary predeceases you. If you don’t have a contingent beneficiary, the plan default beneficiary would be used (spouse, children, parents, brothers and sisters, estate).

QUESTION: What level of Accidental Death and Dismemberment coverage are my dependents eligible for?

ANSWER: When choosing AD&D coverage, employees can elect either “employee only” or “family” coverage. If family coverage is selected, spouses receive 100% of the employee coverage amount and children receive a flat \$2,500. 100% is paid for an eligible accidental death claim. Dismemberments are paid according to the schedule as outlined in the certificate.

QUESTION: When is a newborn child claim considered eligible?

ANSWER: When a child is born and dies shortly thereafter, both a birth certificate and a death certificate are issued. If a death certificate is issued, the claim should be submitted to Minnesota Life. Stillborn children are not issued birth or death certificates.

QUESTION: If an employee is on Waiver of Premium and has a baby or gets married, can the new dependent be added to the dependent life plan?

ANSWER: The new dependent can be added as long as the Dependent Life coverage is already in place for that employee. No “new” coverage can be elected while the employee is on Waiver, however, a newly eligible dependent can be added to the existing dependent life rider.