

May, 2003

Dear Faculty and Staff:

Employee Benefits/Human Resources is pleased to announce a valuable new opportunity to obtain additional life insurance for your eligible dependents.

Beginning July 1st and running to September 1st, you will be able to purchase optional life insurance coverage for your spouse in \$10,000 increments up to \$250,000 at the same low group rates available for our optional employee life plan. The first \$50,000 of coverage is available without the completion of the Statement of Health form. The following are examples of when the insurance will become effective:

July 1, 2003	For enrollment forms received in Employee Benefits on or before June 30 th
August 1, 2003	For enrollment forms received in Employee Benefits July 1 st through July 31 st .
September 1, 2003	For enrollment forms received in Employee Benefits August 1 st through August 31 st .

The maximum amount of coverage available for your spouse is limited to the lesser of \$250,000 or 50% of the amount of optional coverage you have elected on yourself (spouse coverage will be rounded to the next higher \$10,000). If you do not have optional coverage on yourself, you may still purchase up to \$20,000 on your spouse. Just like the optional life insurance program for employees, the coverage includes Accidental Death & Dismemberment (AD&D).

The optional coverage for children will continue to be available. The rate will be \$1.30 per month, which covers all children.

If you participate in the current optional dependent life program for both your spouse and child(ren) at a rate of \$4.70 per month, please be aware you may continue this coverage. However, this plan will now be closed to new participants effective July 1, 2003.

Enclosed in this packet of information is a summary of benefits that provides further details on the plans available to you, as well as the cost for these coverages and an enrollment form. To enroll in either of these plans, complete the enrollment form (and Statement of Health form where required) and return them to Employee Benefits. The dependent life enrollment form is available on line at http://www.busfin.uga.edu/forms/dep_life_enroll.pdf and the statement of health form can be found at http://www.busfin.uga.edu/forms/metlife_soh.pdf.

Should you have any questions, contact the Employee Benefits Department at (706) 542-1814.

Sincerely,



David Williamson
Director, Employee Benefits
Human Resources

UNIVERSITY OF GEORGIA

Optional Dependent Life Insurance

The University of Georgia recognizes how important it is to provide you with a benefits program that will help you meet the life insurance needs of your family. That is why Employee Benefits, Human Resources is now offering a new optional dependent life program. The following provides an overview of the new plan available to you.

Plan Options

The new plan allows you to elect the following life insurance coverage for your dependents:

Optional Spouse Life and AD&D

The total amount of coverage available depends on how much optional life insurance coverage you have on yourself. You can elect any amount of coverage on your spouse in \$10,000 increments subject to a maximum amount equal to the lesser of \$250,000 or 50% of the amount of coverage you have elected on yourself. If you did not elect coverage for yourself, you are still eligible to purchase for your spouse up to \$20,000. All coverage is rounded to the next higher \$10,000.

Please note, during this enrollment period only, if you are eligible, you may purchase for your spouse up to \$50,000 of coverage without completing the Statement of Health form. Future elections will be during the annual enrollment period.

Accidental Death & Dismemberment (AD&D) for your spouse is automatically included in this coverage option. This benefit provides additional protection in the event of an accidental death or serious injury. The benefit amount for optional AD&D is equal to the benefit amount for optional life coverage.

Optional Child(ren) Life

The coverage amount for children will remain the same as the current plan, which provides for \$2,000 of coverage for children 15 days to 6 months of age, and \$10,000 for all children 6 months of age or older. There is no AD&D coverage for children. The cost of this coverage is \$1.30 per month regardless of the number of children covered.

Determining Coverage Amounts

To calculate your monthly premium for optional spouse life and AD&D, you need to determine the benefit amount you may purchase and then multiply that amount by the appropriate rate for your spouse's age (found in the enclosed plan cost table). The following illustration provides an example on how to calculate the monthly premium. In this example, the employee wishes to purchase the maximum amount of coverage available.

Example: Spouse, age 35, purchasing maximum amount of coverage available.

1. Employee optional coverage amount	\$192,000
2. Multiply #1 by 50% for spouse's eligible amount (<i>not to exceed \$250,000</i>)	\$ 96,000
3. Maximum amount available (<i>#2 above rounded to the next higher \$10,000</i>)	\$100,000*
4. Enter spouse's rate from plan cost table	\$.08 per \$1,000
5. Multiply #3 x #4 for monthly premium ($$.08 \times \100)	\$ 8.00

*In our example, the amount of coverage elected could be any amount up to \$100,000 in \$10,000 increments. Coverage up to \$50,000 does not require a statement of health.

If you did not elect optional life for yourself, the maximum benefit amount you may elect for your spouse is \$20,000.

Guaranteed Coverage – New Employees and New Spouses

If you are applying for coverage within 31 days of becoming eligible to elect these benefits, your spouse will be guaranteed coverage, without a Statement of Health, up to \$50,000. You are required to submit a Statement of Health form on your spouse for any amount that exceeds \$50,000. However, the entire amount you may elect for your dependent children is guaranteed issue, no Statement of Health is required (\$2,000 for children age 15 days to 6 months and \$10,000 for children over six months).

If you do not elect coverage when you are first eligible, any future elections will occur during the annual enrollment period and all amounts will require a submission of a Statement of Health form.

Additional Spouse Life Plan Features

The following provisions are included in this coverage to enhance the benefits provided to you and your family:

- Accelerated Benefits Option (ABO) – Should your spouse become terminally ill and diagnosed with less than 6 months to live, you may receive up to 50% of your spouse’s life insurance proceeds.
- Conversion – Should this life insurance coverage terminate, you may convert it to a MetLife individual permanent policy under certain circumstances. This coverage will be available without your dependent having to complete a Statement of Health form.
- Disability Provision – Should your dependent spouse become disabled, the optional dependent life coverage will remain active as long as you continue to pay premiums.

Plan Cost Table

Since this coverage is employee paid, UGA will conveniently deduct premiums for dependent life coverage from your regular paycheck. The cost to secure optional life benefits for your dependents follows:

Optional Spouse Life and AD&D

Age Banded Rate (For age as of January 1)	Monthly Rate Per \$1,000 of Coverage
< 25	\$.05
25 – 29	\$.06
30 – 34	\$.07
35 – 39	\$.08
40 – 44	\$.11
45 – 49	\$.17
50 – 54	\$.25
55 – 59	\$.42
60 – 64	\$.56
65 – 69	\$.67
70 +	\$.92

Optional Child(ren) Life

Monthly Child Rate (to insure all children)	\$1.30
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