

Introduction to the NCPERS Group Voluntary Term Life Insurance Plan

Washington LEOFF 2 Retirement Board

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Overview

- Plan background
- Plan objectives
- Features
- Member benefits
- Costs
- Benefits to LEOFF 2 Board
- Discussion and Questions

NCPERS Life Plan Background

- Offered to NCPERS member retirement systems only
- Established in 1969
- Over 125,000 current covered participants
- Over \$13 Million in life insurance benefits paid in 2013
- Maintains strong reserves
- Plan premiums never increased since inception
- Insured by Prudential
- Gallagher Benefit Services manages plan for NCPERS
- Health Smart Benefit Solutions is Plan Administrator

Plan Objectives

- Provide supplemental survivor benefits when younger
- Provide extra financial protection when older
- Provide retiree life insurance
- Offer enhanced AD&D features and benefits
- Provide benefits for spouse and children of insured

Plan Features

- No medical underwriting
- Waiver of premium included
- Employer contribution not required
- Dependent coverage included
- Includes accidental death and dismemberment (AD&D)
- 24/7 coverage on or off job
- Accelerated death benefit
- Enhanced AD&D features

Plan Features, Continued

- One premium rate regardless of age (decreasing term insurance)
- Conversion option
- Minimal plan sponsor involvement
- Domestic partners coverage where allowed
- Pays in addition to any other group or individual coverage
- Estate Guidance will preparation benefit included with direct pay option

Plan Benefits

ACTIVE MEMBER*				DEPENDENT	
Member's Age at Time Of Claim	Group Term Life Insurance	Group Accidental Death & Dismemberment	Total Benefit for Accidental Death	Group term Life Insurance Spouse	Child(ren)
Less than 25	\$225,000	\$100,000	\$325,000	\$20,000	\$4,000
25 – 29	\$170,000	\$100,000	\$270,000	\$20,000	\$4,000
30 – 39	\$100,000	\$100,000	\$200,000	\$20,000	\$4,000
40 – 44	\$65,000	\$100,000	\$165,000	\$18,000	\$4,000
45 – 49	\$40,000	\$100,000	\$140,000	\$15,000	\$4,000
50 – 54	\$30,000	\$100,000	\$130,000	\$10,000	\$4,000
55 – 59	\$18,000	\$100,000	\$118,000	\$7,000	\$4,000
60 – 64	\$12,000	\$100,000	\$112,000	\$5,000	\$4,000
65 and over	\$7,500	\$7,500	\$15,000	\$4,000	\$4,000

*includes actives taking coverage into retirement

Plan Benefits (Retirees)

- LEOFF 2 Existing retirees are given one-time enrollment option on guaranteed issue basis
- Active coverage carried into retirement
- No maximum age limit

Plan Costs

- \$16 or \$17 per month regardless of age
- Includes dependent coverage and AD&D
- If enhanced plan offered in future, active participants will be given opportunity to upgrade
- Premium payment options:
 - Pension/payroll deduction (\$16/mth premium)
 - Direct member payment (\$17/mth premium)

Benefits to LEOFF 2 Board

- Enhances retirement system's image as providing quality value added benefits to active and retired members
- Benefits offered at no direct expense to Board
- Offers supplement to retirement benefits for younger employees
- Offers additional financial security for older employees
- Dependent benefits included
- Coverage can be taken into retirement
- Turn-key implementation. Limited LEOFF 2 staff involvement
- Implementation allowance to offset indirect costs

Statewide NCPERS Life Plan Clients

- Arkansas Fire and Police Local Retirement System
- Connecticut Professional Fire Fighters (March 2014)
- Idaho PERSI
- Illinois Municipal Retirement System
- Illinois State Employees' Retirement System
- Louisiana Professional Fire Fighters (January 2014)
- Minnesota PERA
- Wyoming RS
- Plus numerous local government plan sponsors

Implementation Process

- Obtain Board approval to offer plan
- Determine premium payment method
- Develop open enrollment communications plan and schedule
- Develop printed materials for open enrollment
- Conduct at least two open enrollment mailings
- Provide open enrollment using online tools
- Mail evidence of coverage to enrollees
- Conduct future annual open enrollments for active members

Discussion and Questions

Next Steps