



Duke | Flex Benefits

Lincoln Financial

Duke University and Health System

Life Insurance as You are Approaching Retirement and in Retirement

September 15, 2022

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Agenda

Why do I need Life Insurance ?

- Tools and Calculators

Life Coverage Available Through Duke's Group Life Plan

How do I Enroll, Update Coverage, and Beneficiaries

What Happens when I Leave Duke or Retire from Duke

Coverages to Consider Outside of Duke's Plan

- Individual Term Life Coverage
- Permanent Life Coverage
- Long Term Care

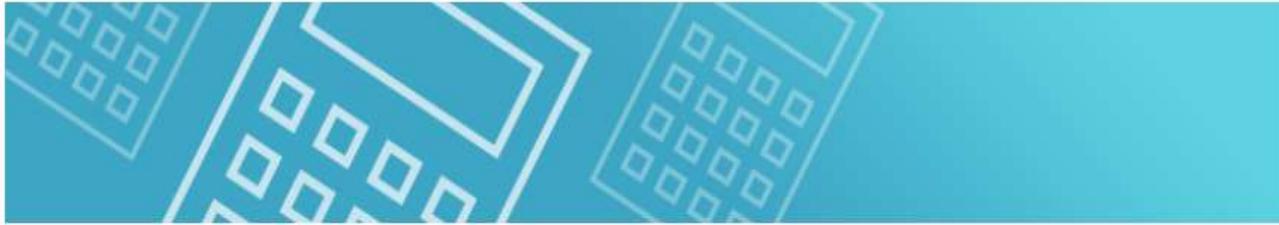


How Much Life Insurance Do I Need As I Approach Retirement and in Retirement?

- What would happen to your family if you were no longer there to provide for them?
- Do you have enough life insurance for them to keep their home, pay all the monthly bills, and afford college for your children and other future expenses?
- With Supplemental Life Insurance you can replace the worrying about your family's financial security.
- Supplemental Life Insurance allows you to create a "safety net" for your family and help provide the resources for them to carry on.



Life insurance decision tool



This life insurance tool can help you with financial planning for you and your family.



LIFE INSURANCE

How long will my current life insurance proceeds last?

Use this calculator to learn if you need *additional* life insurance to meet your family's needs.

<https://www.lfg.com/public/calculatorsandtools/lifeinsurance/howmuchlifeinsurancedoined>



Life Coverage Available Through Duke's Group Life Plan

Eligibility - All active full-time employees working a minimum of 20 regularly scheduled hours per week

Employee Coverage

- Employee Basic Term Life and AD&D: Coverage is equal to \$10,000. Coverage is employer-paid.
- Employee Supplemental Term Life: Coverage is equal to 1, 2, 3, 4, 5, 6, 7 or 8 times base annual salary rounded up to the next \$10,000. This amount may not exceed \$2,500,000.

The monthly rate is based on amount selected and your age.

Rounding to the next \$10,000 will occur for active, retired, and terminated employees.



Life Coverage Available Through Duke's Group Life Plan

Supplemental Dependent Spouse coverage

Increments of \$10,000 to a maximum \$100,000.

The monthly rate is based on amount selected and spouse's age.

Supplemental Dependent Child Life

Supplemental child coverage is equal to \$10,000 if at least 14 days old but under 26 years.



Evidence of Insurability Requirements

- If you are enrolling for up to 2 times your annual pay or \$500,000 in total coverage (whichever is less) for yourself, you are not required to meet any medical requirements.
- If you are enrolling for \$10,000 of spouse life, you are not required to meet any medical requirements.
- If you are enrolling for any coverage above those amounts, you will be required to complete Evidence of Insurability.
- If you enroll outside of the initial enrollment period or a qualified family status change you will be required to submit Evidence of Insurability.



Electing Supplemental Life

FAQS

Answers about the plan, including eligibility, options, enrollment, customer service and more.

Expand All | Collapse All

Who needs life insurance?	+
Who is the provider?	+
Who is eligible?	+
When can I enroll?	+
Do I have to meet any medical requirements?	+
How much will this coverage cost?	+
What if my employment status changes?	+
Are there other benefits to this plan?	+
When would my coverage start?	+

*Spouse means legal spouse. You must be married in order to be eligible for spousal coverage. For Vermont and Washington state residents, spouse includes your registered Domestic Partner if you and your Domestic Partner are registered as domestic partners, civil union partners or reciprocal beneficiaries with a government agency or office where such registration is available.

The above information provides highlights of the insurance program. It does not and is not intended to cover the program in detail. Please refer to the policy for a complete description of the coverage, limitations, and exclusions.

Learn More

These form(s) are in Adobe Acrobat Reader (PDF) format and are available for downloading and printing.

Certificate

Beneficiary Designation Form

Enrollment Form

Privacy Notice

Evidence of Insurability form

Beneficiary Capability Options

You are able to choose and/or update beneficiary information online for active Supplemental Term Life policies. Log in to **My Account** at the top of this page to access the online **Beneficiary tool**.

Or, complete the **Beneficiary Designation Form** and return the form to Mercer for processing.

(It is not a requirement to utilize the new online functionality. Existing beneficiary selections are on file, historical information is not loaded into the system.)

Mercer's Role & Compensation

Details of Mercer disclosure of the compensation.

<https://www.dukevoluntarybenefits.com/life-insurance/term-life/supplemental-term-life.html>



Group Life Coverage when Leaving or Retiring from Duke

- When you leave or retire from your current employer, you can continue your coverage without interruption as long as the group policy is in effect, subject to the policies' terms and conditions.
- Although payroll deduction will no longer be available if you retire or leave your company, you can opt for other payment methods such as direct checking or bank account deduction, credit card billing or home billing.
- You will be billed directly for your cost of coverage at portable rates. Portable rates may be higher.



Coverage to Consider Outside of Duke's Plan

Individual Term Life

- Similar to group coverage, individual term can be purchased for a certain length of time (generally, 10, 15, 20, 25, or 30 years).
- Ninety-nine percent of term policies never pay a death claim. Due to this, term insurance premiums are significantly more affordable than permanent life insurance policy. There is also **no** cash value with term products.
- Similar to group insurance, an individual term policy is generally purchased to satisfy a short-term need to cover lost income, expenses (i.e. mortgage, other debts, etc.), or even education expenses.



Coverage to Consider Outside of Duke's Plan

Permanent Life

- If designed properly, permanent life policies provide lifelong insurance protection.
- Permanent products are purchased to pay for end-of-life expenses, or providing a legacy for your spouse, family, or a charitable organization.
- There are many different types of permanent products from fixed to variable.
 - Diverse types of fixed policies range from whole life to universal life to indexed universal life. These policies provide you with a dividend or fixed interest rate on your premiums.
 - There are also variable life insurance policies where you have the ability to choose investment vehicles to invest your premiums in.
- Unlike term insurance, permanent products can be designed to provide cash value. Cash value allows you to take loans or surrender the policy at a future date and receive potential value.

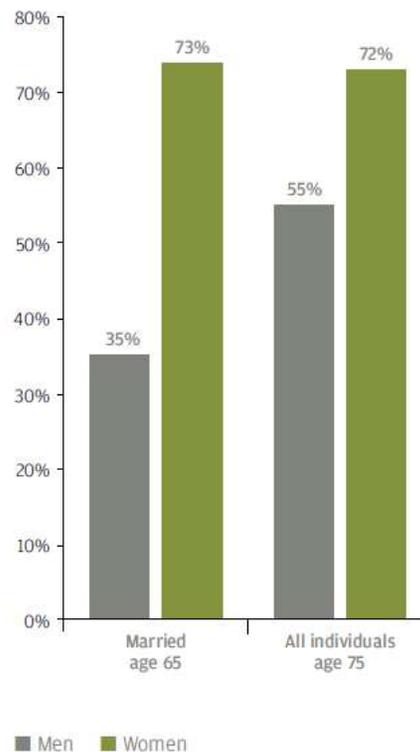


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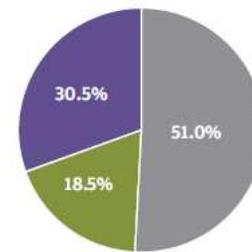
Long Term Care

- According to the US Department of Health and Human Services there is a significant likelihood that at some point in your life, you might need long term care or home health care assistance.
- The average cost of this care in the Triangle is approx. \$250 a day for a private room, or in excess of \$90,000 a year.

Likelihood of needing long-term care (LTC)

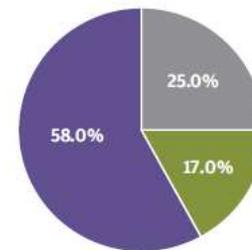


2012 new LTC claims by type



Average age of first claim: 79

All LTC claims by type



■ Home care ■ Assisted living ■ Nursing home



Ensure Your Beneficiary Designations are Current

- Use the following link to update your **basic life and AD&D** beneficiary
<https://hr.duke.edu/forms/benefits/your-beneficiary-designations>

- Use the following link to update your **supplemental life** beneficiary
<https://www.dukevoluntarybenefits.com/life-insurance/term-life/supplemental-term-life.html>



- Duke Supplemental Life Questions
1-800-552-9670
<https://www.dukevoluntarybenefits.com/life-insurance/term-life/supplemental-term-life.html>
- Lincoln Financial – Other Life Questions
Tim Higgins
National Account Executive
215-208-9692
timothy.higgins@lfg.com
- For any Other Benefits Related Questions
Benefits@duke.edu
919-684-5600



Questions and Answers



Thank You

