

**INDIVIDUAL AND FAMILY
GROUP TERM LIFE INSURANCE
Minnesota Life (ML) Policy 32871-G
Employer Manual, Revised June 2008**

TABLE OF CONTENTS

| | PAGE |
|---|------|
| LEVELS OF COVERAGE | 2 |
| INITIAL ENROLLMENT | 2 |
| ELIGIBILITY | 2 |
| SECOND ELIGIBILITY PERIOD FOR GRADS | 2 |
| DEPENDENT ELIGIBILITY | 3 |
| APPLICATION PROCESSING | 3 |
| OTHER ENROLLMENT OPPORTUNITY | 4 |
| EVIDENCE OF INSURABILITY | 4 |
| PREMIUMS | 4 |
| EMPLOYEE PAYROLL DEDUCTIONS | 5 |
| Premium Catch-Up Adjustment | 5 |
| EFFECTIVE DATE OF INSURANCE | 5 |
| EMPLOYMENT STATUS/EFFECT ON COVERAGE | 6 |
| Rehired or Reinstated Employee | 6 |
| Transfers within UW System | 6 |
| Previous UWS Employment | 6 |
| Transfers to UW System from Other WRS Employers | 6 |
| Leave of Absence or Temporary Layoff | 6 |
| Academic Year Employees/Premium Collection | 6 |
| LTE | 7 |
| SPOUSE-TO-SPOUSE TRANSFER GUIDELINES | 7 |
| ANNUAL INCREASE OPTION (AIO) | 8 |
| BENEFICIARY DESIGNATION | 9 |
| ASSIGNMENT | 9 |
| TERMINATION of INSURANCE | 10 |
| Cancellation | 10 |
| Child Coverage | 10 |
| Spouse Coverage | 10 |
| Domestic Partner Coverage | 10 |
| CONVERSION | 10 |
| ACCELERATED BENEFIT | 11 |
| WAIVER OF PREMIUM DUE TO DISABILITY | 12 |
| CLAIMS PROCESSING | 13 |
| Death Claims | 13 |
| Suicide | 14 |
| REFUND OF PREMIUMS | 14 |
| NAME CHANGE | 14 |
| ADDRESS CHANGE | 14 |
| EMPLOYER ERROR PROVISION | 14 |
| EMPLOYEE COVERAGE REPORT | 15 |
| MONTHLY RECONCILIATION | 15 |
| FORMS | 16 |

**Individual and Family Group Term Life Insurance
Administrative Manual
MINNESOTA LIFE Policy # 32871-G
<http://www.uwsa/hr/benefits/ins/lindfam.htm>**

This administrative manual provides the operating policies and procedures for the UW System-sponsored Individual and Family Group Term Life Insurance Plan. If there is a conflict between this manual and the contract, the contract will take precedence. The purpose of this manual is to provide administrative guidance and is not meant to replace the plan policy.

LEVELS OF COVERAGE

Employee \$5,000 - \$200,000 in increments of \$5,000
Spouse (Includes domestic partners) \$5,000 - \$100,000 in increments of \$5,000
Children* \$2,500 - \$10,000 in increments of \$2,500

At initial enrollment, employees are guaranteed coverage levels of \$5,000, \$10,000 or \$20,000 for themselves, \$5,000 or \$10,000 for their spouse or domestic partner and \$2,500 or \$5,000 coverage for unmarried, dependent children under age 25. Employee coverage must be greater than or equal to spouse or dependent child coverage.

*Children are eligible to age 25 if unmarried and dependent on parental financial support. Coverage ends at the end of month in which the child loses eligibility.

INITIAL ENROLLMENT

New Employees:

Eligible employees must submit a completed application to their benefits office within 30 days of their initial eligibility date. Coverage is effective the first of the month following receipt of the approved application or on the first of the month if the completed application is received on the first of the month. Coverage is not effective prior to the employee's date of hire. The coverage period should not be prorated for a partial month.

Enrollment Effective Date Examples:

An employee hired July 7, submits an application on August 6:

- Life insurance coverage is effective September 1.

An employee hired July 7, submits an application on August 1:

- Life insurance coverage is effective August 1.

ELIGIBILITY

Employees of the UW System who are eligible for immediate or future employer contribution to the State Group Health insurance program are eligible and must be offered this life insurance coverage within 30 days of eligibility. Rehired annuitants receiving a Wisconsin Retirement System (WRS) benefit are not eligible to participate in the group plan.

SECOND ELIGIBILITY PERIOD FOR GRADS

Effective January 1, 2008, a second eligibility period is provided for individuals eligible for graduate assistant benefits but who elected not to participate in this program upon initial eligibility. These individuals will have a second enrollment period if they later become benefits eligible in a WRS-eligible position and there is no break in service of 30 days or more. This second enrollment period will be for 30 days starting from the date they become benefits eligible in a WRS eligible position.

DEPENDENT ELIGIBILITY

Employees must enroll in order for family members to enroll.

Dependents eligible for coverage include:

- A legally married spouse of the employee or;
- A domestic partner of the employee as documented by UW System's Affidavit of Domestic Partnership (Form UWS-50).
- Children, stepchildren and legally adopted children of the employee, spouse or domestic partner who are under age 25, unmarried and dependent on parental financial support. (Legal wards are ineligible.)

A spouse or domestic partner who is an employee of the UW System may be insured as an employee or as a spouse, but not both. If a child qualifies as an eligible employee under the group policy, he or she is not eligible to be insured as a dependent child.

Only one employee-parent in a family may carry children's insurance.

Adding Dependents

Enrolling when first eligible:

When an insured employee experiences a change in family status, such as marriage, attaining eligibility in a domestic partnership, or childbirth or adoption for the first time, he or she must complete an application within 30 days of initial eligibility. The effective date of the coverage is the first of the month following the date the staff benefits office receives the application or the first of the month, if it is received on the first. Although the effective date is the first day of the month following receipt of the application or on the first of the month, a newborn has a waiting period for coverage. The child's coverage is not effective until the fifteenth day following the date of birth.

If an insured employee does not enroll in child coverage when first eligible, any later child enrollment requires application through Evidence of Insurability.

Adding children to existing child coverage

When child coverage is already in force, children who are born, adopted or enter the family via a valid domestic partnership will have the same amount of coverage in force as the other insured children in the family. The employee should submit an enrollment form upon the birth or adoption of subsequent children in order to record their names and birth dates.

APPLICATION PROCESSING – Application/Cancellation and Change Form F60536, Rev. 3/2007. Discard all applications dated prior to March 2007.

Fillable, online form: http://www.bussvc.wisc.edu/ecbs/ind-application60536_03-2007.pdf

Confirm the employee's eligibility and review the application for completeness and accuracy.

- Complete the 'Office Use Only' box at the bottom of the form. If domestic partner coverage is selected, verify that employee files an Affidavit of Domestic Partnership, Form UWS-50 <http://www.uwsa.edu/hr/benefits/ins/uws50.pdf> with the UWS HR Office.
- Begin payroll deductions.
- Mail the originally signed application form as soon as possible to UWS HR, 780 Regent Street, Suite 305, Madison, WI 53715.
- Retain a copy for your records and the employee retains a copy.

OTHER ENROLLMENT OPPORTUNITY

There are no regularly scheduled open enrollments. Employees who miss their initial enrollment must apply through evidence of insurability.

EVIDENCE OF INSURABILITY

This process may be used by eligible employees to apply for employee, spouse or child coverage.

- After the initial eligibility period has passed, or
- After insurance was canceled or lapsed, or
- To increase insurance up to maximum levels.

Evidence of Insurability Processing Form EdF60937 8-2006

Fillable, online form: http://www.bussvc.wisc.edu/ecbs/ind-evidence-of-insurability60937_08-2006.pdf

NOTE: The employee may request greater amounts of insurance coverage for the spouse or dependent when applying through evidence, as long as the resulting total amount of insurance for the spouse or dependent does not exceed that of the employee.

Instructions for Applicant

- Complete all boxes on the application, (Two pages or two sides.)
- When spouse coverage is requested, the spouse must sign the form to authorize release of medical information.
- When domestic partner coverage is selected, the employee must complete and send an Affidavit of Domestic Partnership to UW System HR.
- Mail the fully completed, signed and dated application to:

Minnesota Life
P. O Box 259708
Madison, WI 53725-9708

Underwriting by Minnesota Life

- ML contacts UW System HR staff to determine applicant eligibility.
- ML evaluates medical records.
- ML sends the Notification Statement to Program Administrator.
- When coverage is not approved, ML notifies the applicant.

Final Steps

- Program administrator forwards the approval notice with the effective date of coverage and the monthly deduction amount to the benefits office.
- Benefits office sets up payroll deductions and forwards the notice to the employee.

PREMIUMS <http://www.bussvc.wisc.edu/ecbs/emp-prem-indfam-uw1125.html>.

Premiums for the employee and the spouse or domestic partner are based on the employee's insurance age and the amount of insurance selected. Rate brackets change every three years, according to the employee's age.

New employee premiums are calculated using the date insurance coverage begins. If the hire date is from January 1 through April 30, use the employee's age attained in the previous calendar year to calculate premium. When the date of hire is between May 1 and December 31, use the employee's age attained in the current calendar year for calculating the premium.

Continuing employees' insurance age advances on May 1. January through April insurance rates are based on the age the employee reached in the previous calendar year.

Example: An employee's birth date is 2/15/1969. His premium rate for January -- April, 2008 coverage is based on age 38. On May 1, 2008, his insurance age for calculating premium increases to age 39.

Example: An employee's birth date is 11/15/1969. Her premium rate for January – April, 2008 coverage is based on age 38. On May 1, 2007, her insurance age for calculating her premium increases to age 39.

Payroll deductions are taken one month in advance of coverage. Likewise, premiums paid by personal check via the UW Prepayment System are due prior to the month of coverage.

EMPLOYEE PAYROLL DEDUCTIONS

The employee pays the total cost of the premium; there is no employer contribution to this plan.

All deductions are taken post-tax.

Premiums are deducted from each monthly payroll for unclassified employees and from each 'A' bi-weekly payroll for classified employees. The benefits office is responsible for entering employee insurance deductions into 3270. However, April payroll deductions for May coverage are electronically loaded to the deduction #428.

Premium deductions pay for coverage one month in advance. For example, deductions are taken from the February Unclassified payroll or the February Classified "A" payroll to pay for March insurance coverage. If the Classified "A" payroll deduction is not taken, the deduction may automatically take from the Classified "B" payroll of the same month.

Premium Catch-Up Adjustment

A premium catch-up adjustment may be taken with the regular premium deduction from the next payroll calc provided the calc occurs during the employee's grace period.

An insured employee who misses paying her monthly premium for Individual & Family Life Insurance is at risk of coverage lapse. Her 31-day grace period begins the day after the last day of the month that a premium was paid.

Following are examples when premium deductions may be taken for a missed premium:

- For classified employees, the premium deduction and adjustment will be taken from the A Payroll cycle immediately following the missed premium deduction.
- For unclassified employees, the premium deduction and adjustment will be taken from the Monthly Unclassified payroll cycle immediately following the missed premium deduction.

Does this mean an employee on the academic year pay cycle may pay a premium missed for June, July or August coverage from their September earnings?

No, the catch up payroll deduction may only be taken during the 31-day grace period. Personal payments via the Prepayment System are necessary when payroll deduction is unavailable.

EFFECTIVE DATE OF INSURANCE

- The initial enrollment becomes effective on or after the first of the month depending upon when the benefits office receives the application. For an example, see Page 2, Initial Enrollment.
- Coverage is not effective prior to the employee's date of employment.
- Decrease in coverage becomes effective on or after the first of the month depending upon when the benefits office receives the application and change form. See Page 2 for examples. The employee may select a future date to decrease coverage.
- Evidence of insurability coverage becomes effective the first of the month following the date of ML underwriter approval.

- Annual Option to increase coverage becomes effective on May 1.

EMPLOYMENT STATUS, EFFECT ON COVERAGE

Rehired or Reinstated Employee

If coverage ends due to termination of the employee's appointment, coverage can be reinstated to previous levels upon the employee's return to eligible employment within 30 days of the appointment termination date. (Rehired annuitants are not eligible for reinstatement of coverage.) When return-to-eligible employment occurs more than 30 days after the termination date, follow the same application procedures as for a new employee.

Transfers within UW System

The receiving benefits office must make sure premium deductions continue without interruption for employees that were enrolled in the Plan at their previous institution. If 30 days or more pass between positions, the employee is entitled to a new enrollment opportunity.

Previous UW System Employment

An employee who was previously employed in a position with the UW System that would have entitled him/her for initial enrollment in the Plan, but did not enroll, does not have an initial enrollment opportunity upon entering a new position unless there is a 30-day break in employment between positions.

Exception: Graduate Assistants entering their first WRS-eligible positions. See Page 2, Second Eligibility Period for Grads.

Transfers to UW System from other WRS Employers

An employee who transfers to the UW System from other WRS covered employment is entitled to a 30-day initial enrollment opportunity. Transfers from UW Hospital require a 30-day initial enrollment opportunity.

Leave of Absence or Temporary Layoff

Employees have two options regarding payment of premiums while on an approved leave of absence or temporary layoff:

1. Continue to prepay the appropriate premium through the Prepayment System. Prepayments are limited to a 36-month period.
2. Allow coverage to lapse during the absence. Upon return to work, the employee shall be considered a new employee for the purposes of determining eligibility and amounts of insurance. Spouse and child coverage will be available without evidence of insurability only if such coverage was in force prior to the leave or layoff. Employees must submit an application within 30 days of their return to an eligible position. If this option is selected, previously completed beneficiary designations are no longer valid. Do not collect premiums for the period life insurance was not in force.

Federal and/or State of Wisconsin law requires no loss of seniority for employees on military leave. Coverage will resume at the same levels in force prior to the leave, whether or not premiums were paid and insurance was in force during the leave.

Academic Year Employees/Collection of Premiums

The contract provides the opportunity for insured academic-year employees, including graduate assistants, to prepay premiums in advance, over the summer months when fall semester employment is undetermined. Reasons vary but may be due to uncertainty of class size or budget restrictions. Typically, this employee group would have Individual and Family Life Insurance in force during the spring semester but would not have the May multiple deductions taken.

What happens if the employee is hired for the fall term?

In the event the insured employee is hired for the fall term and premiums were paid when due, payroll deductions from the September earnings (paid from the October 1 paycheck.) may continue. A new enrollment application is not needed.

What happens if the employee is not hired for the fall term?

If the employee is not hired for a fall semester position but has prepaid summer premiums, coverage will end on the last day of the month that premiums were made or September 30, whichever ever comes first. Employees who take advantage of this provision would not be entitled to a retroactive refund of summer premiums but are eligible for conversion.

What happens if the employee's coverage lapsed and he is subsequently hired into an eligible position after a 30-day break in service?

- Coverage is limited to levels available to a new employee.
- A new enrollment application must be submitted.
- Beneficiary designation forms previously completed are no longer valid.
- The effective date of new coverage is based on when the benefits office receives the application.
- Back premiums should not be taken for the period between the end of previous coverage and beginning of the new coverage.

What happens if the employee terminates employment at the end of the spring term?

Employees whose position definitely terminates at the end of the spring term have one premium deduction taken from their May earnings and coverage ends on June 30. They are eligible for conversion. See Page 10, Conversion.

LTE

A limited term employee (LTE) must pay premiums by payroll deduction or by personal check via the Prepayment System prior to the first of the month the premium is due.

SPOUSE-TO-SPOUSE TRANSFER GUIDELINES

The contract does not permit duplicate spouse or domestic partner coverage. When two university employees are both plan participants, married or domestic partners to each other and have spouse or domestic partner coverage, the following applies:

1. If one of the employees loses eligibility due to retirement or termination of eligible employment, the remaining employee, who was previously insured as the spouse or domestic partner, may elect to transfer coverage, without evidence of insurability, to employee coverage. The employee losing eligibility can be covered as a dependent. Any in force child coverage shall continue.
2. If the relationship ends due to divorce or dissolution of the domestic partnership, an employee who was insured as the spouse or domestic partner may elect to transfer that coverage, without evidence of insurability, to employee coverage. Dependent children may be insured under one parent's coverage.
 - a. In the event both participants elect to continue employee coverage, the child coverage may remain with the parent whose birthday falls earlier in the calendar year.
 - b. In the event the employee with child coverage in force later terminates his/her eligible appointment, the remaining employee-parent may continue child coverage.
3. If the employee dies, the remaining employee who was previously insured as the spouse or domestic partner may elect to transfer that coverage, without evidence of insurability, to employee coverage. In

force child coverage shall continue. Election of this option waives the one-year spouse and dependent premium waiver. See Page 13, Death Claim Process.

The maximum coverage transferrable is the lesser of the amount the insured spouse or domestic partner who becomes insured as an employee has in force or \$100,000. Any amount that cannot be transferred can be converted to an individual policy. **All elections must be made within 31 days of the event** and are effective on the first of the month on or after the remaining employee's staff benefits office receives the completed application. However, under no circumstances can the amount transferred and/or the amount converted exceed the prior amount of coverage in force.

If applicable, both employees complete an application form to activate the transfer of coverage. One employee cancels his or her coverage and the other notes "spouse-to-spouse transfer" and enters the transferred amount of coverage for the employee, spouse and child coverage on the application form.

Program Administrator Right to End Duplicate Spouse Coverage.

If eligible employees erroneously enroll with duplicate coverage, upon discovery, the PA shall terminate spouse coverage for both participants, leaving employee coverage in force for both employees. If a refund is applicable, see Page 14 for Refund of Premiums.

Child coverage, if selected by both employees, may remain with the parent whose birthday falls earlier in the calendar year.

Should the action discussed in this section become necessary, the benefits office and the affected employees will receive email confirmation.

ANNUAL INCREASE OPTION (AIO)

Effective May 1 of each year, on a guaranteed acceptance basis, active plan participants may increase existing coverage. Employees must be insured as of January 1 of the current year to qualify. Annual limits apply.

Employees not eligible for the AIO if they:

- Are on disability premium waiver, or
- Have assigned ownership, or
- Have taken an accelerated death benefit, or
- Are already at the policy maximums.

AIO Process:

- Program administrator sends the AIO Notice to employees' home addresses the first week in March.
- Employee makes a copy for his/her records and mails the notice with original signature to UWS HR, 780 Regent Street, Suite 305, Madison, WI 53715. Forms are due by the third Friday in March.
- UWS HR staff enters increases into the Individual and Family database.
- April payroll deduction files are updated to reflect premium changes due to increases in coverage and age brackets.
 - The April payroll update does not include payroll deduction changes for employees who are out of pay status. Employees out of pay status and paying by personal check may require a revised Prepayment Notice if their premium rate changes. The benefits office must manually update Transaction 428 when the employee returns to pay status.
- The benefits office should not enter deductions or adjustments to April (or later) payrolls prior to the date the increases are loaded because the April payroll update will write over pending deductions. The benefits office may resume entering 428 deductions and adjustments after the April deduction edits.
- UWS HR staff places a New Premium Report on the UW System Administration outgoing FTP directory. The report contains the updated May coverage levels and premiums along with the reason for the updates. New premiums for employees who are out of pay status are included in this report. In April, UWS HR staff sends instructions to the benefits office for retrieval of the New Premiums Report.

BENEFICIARY DESIGNATION

Fillable online form: <http://www.bussvc.wisc.edu/ecbs/ind-fam-f53232.pdf>

Upon the death of an employee with no named beneficiary, or if the named beneficiary does not survive the employee, proceeds are paid according to the following sequence (also listed in the certificate, <http://www.uwsa.edu/hr/benefits/ins/lifcert.pdf>):

1. Employee's (legal) spouse*
2. Surviving children or spouse's surviving children, in equal shares
3. Parents, in equal shares, or to the survivor
4. Surviving grandchildren, in equal shares
5. Surviving siblings, in equal shares
6. Estate

*In the context of the Death Benefit provision of the contract, "legal spouse" does not have the same meaning as domestic partner. Employees in domestic partnerships may want to file a beneficiary designation form to replace the standard sequence.

Upon the death of a covered spouse or domestic partner, when the employee did not name a beneficiary, or if the named beneficiary did not survive the spouse or domestic partner, the proceeds are paid according to the following sequence (listed in the certificate):

1. Employee
2. Surviving children or spouse's surviving children, in equal shares
3. Estate

Upon the death of a covered dependent child, when the employee did not name a beneficiary, or if the named beneficiary did not survive the child, the proceeds are paid according to the following sequence (listed in the certificate):

1. Employee
2. Employee's spouse
3. Surviving children of the employee or employee's spouse, equally
4. Estate

Employees who wish to name a specific beneficiary to replace the sequence listed in the certificate must complete a Designation of Beneficiary Form and mail it to UWS HR, 780 Regent Street, Suite 305, Madison, WI 53715.

Employees who let their coverage lapse, such as while on leave of absence or while on temporary layoff, must file a new beneficiary designation form when they re-enroll upon return to work.

ASSIGNMENT

An employee wishing to transfer the rights of the policy to another party may file an Assignment of Insurance. An assignee is not the same as a beneficiary. Once an assignment is made, the employee gives up the rights to the policy. The assignee(s) owns the policy. Thereafter, any changes the employee may wish to make to the policy must be approved in writing by the assignee(s). Neither ML nor the UW System guarantees the validity of the assignment nor do they assume any responsibility or liability resulting from it.

Direct the employee to contact the program administrator who will send him/her an explanatory letter and Assignment Form.

TERMINATION OF INSURANCE

Except when insurance is continued under Disability Premium Waiver, the employees' insurance will terminate on the earliest date:

- The end of month following the month employment ends, provided premium is paid through the month.

- The end of month following the month eligible appointment ends provided premium is paid through the month.
- The date coverage ends for failure to make required premium payments.
- The date the group policy terminates.

Example: An employee terminates or retires on July 5: The employee is eligible for a July payroll deduction, which pays for August coverage. Providing payment for August coverage has been made, coverage terminates on August 31.

In the event this same person prepaid premiums through September coverage from the May multiple deductions, a refund for September coverage is appropriate. See Refund of Premiums, Page 15.

Cancellation is effective the last day of the month the benefits office receives the form, unless the employee requests a future month. Employees cancel coverage by filing an application/change form. Fillable, online form: http://www.bussvc.wisc.edu/ecbs/ind-application60536_03-2007.pdf

Child coverage expires at the end of the month in which the dependent child reaches age 25, marries or becomes financially independent, whichever comes first. Employees submit an enrollment application form to terminate payroll deduction when *the last covered child becomes ineligible*. The change in premium is effective the first of the month following the date the benefit office receives the completed form. A child does not have a new enrollment period if their status reverses back to dependency on the parent(s).

Spouse coverage* expires the day of the divorce decree. The employee submits an application/change form to terminate payroll deduction when the spouse becomes ineligible. Premium is charged through the end of the month in which the divorce occurs.

Domestic Partner coverage* expires the date expressed on the Affidavit of Termination of Domestic Partnership Form UWS-51. The employee submits an application and change form to the benefits office to terminate payroll deduction when the partner becomes ineligible. Premium is charged through the end of the month in which the partnership ended.

*Special situations may apply when the insured employee and his/her spouse or partner is both employed by UW System. See Page 7, Spouse-to-Spouse Transfer Guidelines.

CONVERSION

An insured employee whose group coverage ends has the right to convert, without proving evidence of insurability, to a permanent life insurance policy with ML within 31 days of termination of coverage. The insured is excluded from this benefit when he/she cancels coverage or fails to pay premiums when due.

The 31-day conversion period begins on the date of the divorce decree for a divorced, covered spouse.

UW System employees who are insured as a spouse or domestic partner and the relationship ends due to divorce or dissolution of the partnership may transfer to employee coverage if the application form is submitted to the benefits office within 31 days of the event. See Page 7, Spouse-to-Spouse Transfer Guidelines. Coverage not transferred may be converted.

Conversion is available to dependent children within 31 days following loss of eligibility when they attain age 25, or earlier, should they marry or attain financial independence.

With respect to a deceased employee's covered spouse and dependent child(ren), conversion is available following one year of premium-free coverage. The insured survivors must apply within 31 days of the end of the one-year continuation period.

A dependent, insured child who reaches age 25, or one whose insured employee-parent dies, may elect to convert amount up to five times the amount of coverage in force at the time of death. The 31-day time frame, as described above, applies in these situations.

Conversion Process

The benefits office offers the Conversion Brochure <http://www.uwsa.edu/hr/benefits/ins/lifconv.pdf> Rev. 12/2005, when coverage terminates. Following are notes to assist the benefits office when completing the employer section:

- Date on which this individual first became insured under 32871-G: Enter the date ML became the insurance carrier, May 1, 2003, or a later date, if appropriate.
- Date to which premiums were paid by the employee. Review payroll deduction files for this information.
- Group Policyholder: UW System.
- Plan or Division: 32871-G.

ML staff verifies employee eligibility by calling UWS HR staff, in the event their office receives an application with incomplete employer information.

Employees who have questions concerning the cost of converted insurance should call Minnesota Life for assistance. Toll free: 1-866-295-8690 or (608) 277-8690, if calling from Madison.

The employee or insured family member sends the form and payment to:

Group Conversions
Minnesota Life
400 Robert Street North
St. Paul, MN 55101-2098

ACCELERATED BENEFIT

Described as a living benefit, an insured participant with a medical condition that is expected to result in death within twelve months or less may elect to be paid an accelerated death benefit up to 100% of his or her current coverage amount.

NOTE: If the insured employee selects 100% Accelerated Benefit for himself or herself, spouse or domestic partner and child coverage will terminate.

An insured spouse, domestic partner or child is also eligible for the Accelerated Benefit provision.

Accelerated Death Benefit Claim Process

The benefits office provides the following information to the program administrator:

- Name of employee,
- Social security number of employee,
- Employee's last day of work, or
- Identity of the insured family member requesting the benefit.

The program administrator contacts the employee and ML. ML underwriters review the claim and contact the claimant. Once an Accelerated Benefit is paid, no further increases are allowed.

WAIVER OF PREMIUM DUE TO TOTAL AND PERMANENT DISABILITY

An insured employee qualifies to file a waiver of premium claim when disability commences prior to reaching age 60 and while insurance is in force. The last day at work establishes the commencement of the disability. The six-month waiting period begins the day after the last day of work.

Total disability is described as a disability resulting from an accidental injury or an illness that continuously prevents the employee from engaging in any occupation or employment for which he or she is reasonably fitted by education, training or experience, or physical/mental ability. Such total disability must be based on medical evidence and certified to be permanent by a licensed physician.

Permanent disability is a total disability which has existed continuously for at least six months.

The employee must pay premiums throughout the waiting period and until ML determines whether waiver claim is accepted. Premiums paid for coverage after the effective date of the approved waiver will be refunded.

The premium waiver includes the employee's insured spouse and insured dependent children.

Return to Work During Waiting Period OR After Approval of Waiver.

- The benefits office notifies the program administrator should the employee return to work.
- The benefits office resumes collection of premiums.
- The employee is allowed to return to work up to five consecutive scheduled work days without canceling the claim for waiver of premium. However, upon working the sixth consecutive scheduled work day, the waiver of premium claim terminates.
- If the employee again becomes disabled, contact the program administrator and the six-month waiting period starts again.

The waiver stops when the employee reaches age 65*, returns to employment, is no longer totally disabled or fails to furnish proof of continued disability when requested by ML. If the employee is no longer eligible for coverage under the group plan, he/she has the option to convert group insurance to permanent life insurance with ML. See Page 10, Conversion.

The annual option to increase coverage is not available to employees on waiver of premium.

*Employees approved for waiver of premium prior to May 1, 2003 are exempt from this provision.

Application Process for Waiver of Premium

When the benefits office becomes aware that an employee is off work and there exists the potential waiver of premium claim, email the program administrator ctiedt@uwsa.edu to initiate the claim with ML:

- Employee name,
- Employee social security number,
- Employee address and telephone number,
- Employee last day at work.

Disability documentation must be furnished:

- Within one year of the onset of the disability (last day worked), and
- While coverage is in force and
- While the employee is alive.

The benefits office continues to collect personal payments via the Prepayment System until the waiver of premium is approved or disapproved.

Approximately five months into the six-month waiting period, ML requests medical information from the employee. When underwriter review is complete, ML notifies the employee and the program administrator. The program administrator informs the benefits office of the claim outcome.

Premiums paid after the disability waiver began will be refunded to a maximum of twelve months.

ML will periodically contact the claimant for review of the disability.

CLAIMS PROCESSING

Death Claim Process

- The benefits office notifies the death of an insured employee or family member to the program administrator ctiedt@uwsa.edu. Be prepared to provide the:
 1. Name of employee,
 2. Social security number of employee,
 3. Name and relationship of decedent to the employee,
 4. Date of birth of decedent,
 5. Date of death of decedent,
 6. Names of spouse and/or dependents, in the case of an employee death,
 7. A contact person's name, address and telephone number and relationship to the deceased.
 8. If the deceased is the insured child of an insured domestic partner, Minnesota Life may request proof of dependency (e.g. tax forms) or the child's birth certificate or adoption papers.

- The program administrator verifies coverage and beneficiary information.
- The program administrator notifies ML.
 - If the deceased is an insured domestic partner or the insured child of an insured domestic partner, the Affidavit for Domestic Partnership is sent to ML.
- The program administrator sends the Beneficiary Claim Statement form to the beneficiary(s) and requests the death certificate.
 - ML requires one death certificate, which can be used for the State Group Life and University Insurance Association plans, if applicable.
- Beneficiary sends the Beneficiary Claim Statement, death certificate and other requested documents to ML.
- ML pays the approved death proceeds amount to the beneficiary with interest from the date of death to the date of settlement.
- The benefits office inactivates or reduces the payroll deduction. Premium is due through the end of the month in which the death occurred.
- The program administrator refunds premiums paid for coverage beyond the date of death, if applicable.
- The insured spouse and children continue existing coverage, premium-free for one year following the date of the employee's death. The program administrator informs the insured survivors about
 - the one-year continuation provision and
 - the right to convert the group insurance to permanent life insurance with ML at the one-year anniversary of the employee's death. Interested survivors are advised to contact ML within 31 days of the one-year anniversary.

If the surviving spouse is a UW System employee, two options exist:

1. Within 31 days of the death, apply for coverage as an employee. (Benefits office sets up payroll deductions.)

2. Choose premium-free coverage for one year. Following that year, the surviving spouse may enroll for employee coverage only through evidence of insurability. See Page 7, Spouse-to-Spouse Transfer Guidelines.

Suicide

The policy contains a clause that limits death benefits for suicides. If a suicide occurs within two years following the date coverage commenced or coverage was initiated or increased by evidence of insurability,

the liability of the company is limited to return of premiums paid for the insurance for the decedent. This limitation does not apply to annual optional increases.

REFUND of PREMIUMS

Due to administrative costs, refund checks are not processed for amounts less than \$4.00.

The benefits office requests refunds by emailing the program administrator, by adding a note to the Office Use Only Section of the application or by using the UW SC Refund Request Form. Provide sufficient auditing information when requesting a refund. Upon approval, refund checks are processed monthly during the report cycle.

Retroactive refunds are limited to a maximum of twelve months for participants who overlooked canceling coverage for ineligible dependents.

NAME CHANGE

Employees complete an application to report a legal name change to assure the life insurance record reflects up-to-date information.

ADDRESS CHANGE

Address information is conveyed to the database via the monthly electronic transmission of payroll data. The benefits office should encourage employees to keep their addresses up to date through their local payroll departments.

EMPLOYER ERROR PROVISION

Definition of Employer Error:

Due to an error made by the employer, the employee misses the enrollment period or loses coverage.

Errors in Premium Collection:

Coverage is canceled if an employee fails to make premium payments. Examples of employer errors in premium collection may include:

- An application is filed on time, but payroll deductions are not properly initiated.
- Computer error results in omission of payroll deduction.

Instructions to Correct a Premium Collection Error:

Immediately contact the program administrator in writing, explaining the error. Address the following issues:

What circumstances caused the error?

How and when was the error discovered?

Do you have ideas to offer that would help avoid this type of situation in the future?

The program administrator will notify you regarding coverage restoration.

Enrollment Errors:

An enrollment error occurs when the employer fails to provide the employee with a timely opportunity to file an application for life insurance coverage. Examples of enrollment employer errors may include:

- Employer neglects to provide information or an application prior to the end of a 30-day enrollment opportunity.
- Employer incorrectly believes employee is not eligible.
- Employer fails to offer new enrollment opportunity after return to work from an approved LOA in which

coverage lapsed.*

*Once coverage has lapsed, a new application is required to reinstate coverage. A new beneficiary designation form must be submitted, if the employee wishes, because any beneficiary form previously submitted is invalid.

Instructions to Correct an Employer Enrollment Error:

Immediately contact program administrator, in writing, explaining the error. The explanation could address the following issues:

What circumstances caused the error?

How and when was the error discovered?

Do you have ideas to offer that would help avoid this type of situation in the future?

The program administrator will notify you of approval or disapproval for a new 30-day enrollment opportunity. If approved, the employee has 30 days from the date the error was discovered to complete a new application and submit it to the benefits office. Coverage is limited to levels available to a new employee.

Examples Displaying Situations When Errors are Ineligible for Correction:

- Employee is given an application but forgets to submit it.
- Employee completes cancellation form incorrectly and inadvertently cancels more coverage than was intended (a cancellation cannot be withdrawn after effective date of cancellation.)
- Errors cannot be corrected after the employee terminates employment and coverage is no longer in force.

EMPLOYEE COVERAGE REPORT

Periodically, the program administrator sends a report to the benefits office listing insured employees at your campus, including names, social security numbers, coverage levels, premiums and prepayments on account.

The report offers a quick reference of employees with the insurance. Review the report for overpayment or prepayment amounts that should be refunded.

MONTHLY RECONCILIATION

The Payroll Discrepancy Report is created following the Unclassified End of the Month Payroll. This report compares the expected premiums and actual premium deductions paid by payroll deduction or personal check. The program administrator and benefits office work together to ensure accuracy of premiums, terminations of coverage and premium refunds and to investigate any questions.

The program administrator sends the benefits office a copy of the Payroll Discrepancy Report with comments and questions. Once discrepancies are resolved, the program administrator activates the End of Month Close Report. This computerized action calculates the amount of monthly premium due to ML.

FORMS

UW Madison Forms Page: <http://www.bussvc.wisc.edu/ecbs/emp-forms-listing-page.pdf>

UWSC Forms Page: <http://www.bussvc.wisc.edu/uwpc/uwpc-forms-order.html#indfam>

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