

Why are the 2017 premiums for the new MetLife employee-paid Optional Life Insurance and Optional Accidental Death & Dismemberment (AD&D) Insurance higher than the 2016 premiums?

There are several reasons why the 2017 optional life and AD&D insurance premiums are higher than the 2016 premiums:

- MetLife offers a one-time open enrollment opportunity and higher coverage amounts.** During a special, one-time open enrollment opportunity (November 1-30, 2016), eligible employees can enroll in or increase their Optional Life Insurance up to \$500,000 with no health questions or medical exam, or up to \$1,000,000 with health questions and/or a medical exam. The \$500,000 amount is guaranteed, *even if you've been turned down before for health reasons*. (The current life insurance carrier offers guaranteed Supplemental Life Insurance up to \$250,000 [if under age 60] or \$100,000 [if age 60 or older]). MetLife offers higher coverage amounts for spouses, state-registered domestic partners, and children, too.

To offer this special, one-time open enrollment opportunity and guaranteed higher coverage amounts, we could not maintain the 2016 premiums. However, the 2017 premiums are still lower than the premiums members paid in 2015 (see below).

- MetLife provides new services not available through the current life insurance carrier.** These include:
 - Customer service at 1-866-548-7139.
 - 24/7 online access to your insurance amounts and beneficiary information.
 - Free concierge services like will preparation services, estate resolution services, and grief counseling.
- Lower financial risk to the state—and better price assurances for members.** Under the new contract with MetLife, MetLife assumes all the financial risk instead of the state sharing in future risks and contract performance. In the long run, this should mean more steady premiums year over year, reducing sharp premium fluctuations.

Example: Here's a comparison of life insurance premiums in 2015, 2016, and 2017:

- Employee age 52, non-tobacco user
- \$250,000 in Supplemental Life Insurance in 2015 and 2016; \$250,000 in Optional Life Insurance in 2017
- \$50,000 in Supplemental AD&D Insurance in 2015 and 2016 (for self only); \$50,000 in Optional AD&D Insurance in 2017

| Insurance coverage | 2015 monthly premium | 2016 monthly premium | 2017 monthly premium |
|---|----------------------|----------------------|----------------------|
| \$250,000 Employee Supplemental/Optional Life Insurance | \$37.00 | \$26.50 | \$35.75 |
| \$50,000 Employee Supplemental/Optional AD&D Insurance | \$0.95 | \$0.60 | \$0.95 |
| TOTAL | \$37.95 | \$27.10 | \$36.70 |