

2022

# 2023 CHANGES FOR TERM LIFE & AD&D INSURANCE

State and Higher Education Agencies

**PARTNERS**  
**FOR HEALTH**



Bob Smith  
Director of Voluntary Benefits



# Changes for 2023 Insurance Coverage

The State Insurance Committee approved changes to these programs:

- Basic Term Life and Basic Accidental Death & Dismemberment
- Voluntary AD&D
- Voluntary Term Life



**Why?** These changes will better align the State of Tennessee programs with current products in the group life insurance industry.



**When?** Employees will have several life and AD&D insurance options to choose from during the 2023 annual enrollment period.

# Basic Term Life

**CHANGE:** Employee basic term life benefit coverage level will be **1.5x the employee's base salary** as of September 1 each year, with a maximum coverage of \$50,000.

All employees will have the same coverage level using the 1.5x base salary formula, regardless of whether they are enrolled in the state group health insurance program.

## Example 1

Employee Salary:  
 $\$30,595 \times 1.5 = \$45,892.50$

This rounds to **\$46,000** in basic term life coverage.

## Example 2

Employee Salary:  
 $\$47,835 \times 1.5 = \$71,752.50$

This limits to **\$50,000** in basic term life coverage.

# Basic AD&D

The employee basic AD&D coverage level will continue to be 2x the basic term life insurance coverage.

## Example

Employee Basic Term Life Amount =  
\$47,000

This equates to **\$94,000** in basic  
AD&D coverage.

$$\$47,000 \times 2 = \$94,000$$



# Basic Term Life & Basic AD&D

The state will continue at this time to fund premiums for \$20,000 basic term life and \$40,000 basic AD&D for each employee eligible for benefits.

**Note:** State funding is subject to the state legislature appropriating the funds in each state budget.

**Note:** Coverage levels begin to reduce at age 65.



# Basic Term Life & Basic AD&D

**CHANGE:** Eligible dependents of employees may be enrolled in basic term life and basic AD&D insurance program regardless of enrollment status in the SGIP.



**How is this different?** Previously, enrollment and coverage value were based upon enrollment in the State group medical plan.



# Basic Term Life & Basic AD&D



Because of this change, **employees will need to enter the enrollment into Edison for each dependent to be covered** under the basic term life and basic AD&D program.

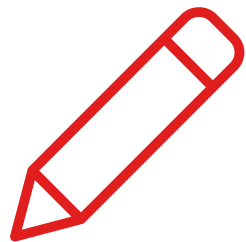


**How is this different?** Previously, the employee did not need to specify which dependents were enrolled in basic term life and basic AD&D in Edison.

\* Dependents may be added or removed during each annual enrollment period.

# Basic Term Life & Basic AD&D- Waiving Coverage

**CHANGE:** Employee may waive basic term life/basic AD&D coverage **above** the amount funded by the state along with any dependent coverage.



Examples for the premium responsibility for both the State and the employee in different scenarios will be found in the ABC email that is sent on 4/14/22.



- Employee may not re-enroll in the employee paid coverage unless there is a qualifying event.
- Employee and/or spouse wanting additional term life insurance in the future must apply with evidence of insurability for coverage in the **voluntary** term life insurance program.

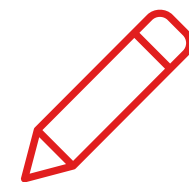
# Basic Term Life : Dependent Premiums

Employee pays 100% of dependent premiums.

\$3,000 of coverage per enrolled dependent.

The premium rate will change from per unit to per \$1,000 basis.

Rates vary depending on the dependents that are enrolled.



Examples of the varying rates can be found in the ABC email that was sent on 4/14/22.



# Basic AD&D : Dependent Premiums

Employee pays 100% of dependent premiums.

A percentage of the employee's basic AD&D.

The premium rate will continue to be \$.013 per \$1,000 of coverage per enrolled dependent.



**Examples of the varying rates can be found in the ABC email that was sent on 4/14/22.**



**PARTNERS  
FOR HEALTH**

# Voluntary Term Life Insurance

**CHANGE:** Newly eligible spouse may enroll when first eligible in \$5,000 of coverage without answering medical questions.



Voluntary term life employee and spouse premium rates will decrease for active members.



Voluntary term life employee and spouse premium rates will increase for most ported members.



The premium rates for a child term rider will decrease.



The monthly administrative fee for the voluntary term life insurance will be eliminated.

# Voluntary AD&D

**CHANGE:** Employee coverage will change from coverage level based on salary to a choice of five different amounts:

\$50K

\$60K

\$100K

\$250K

\$500K



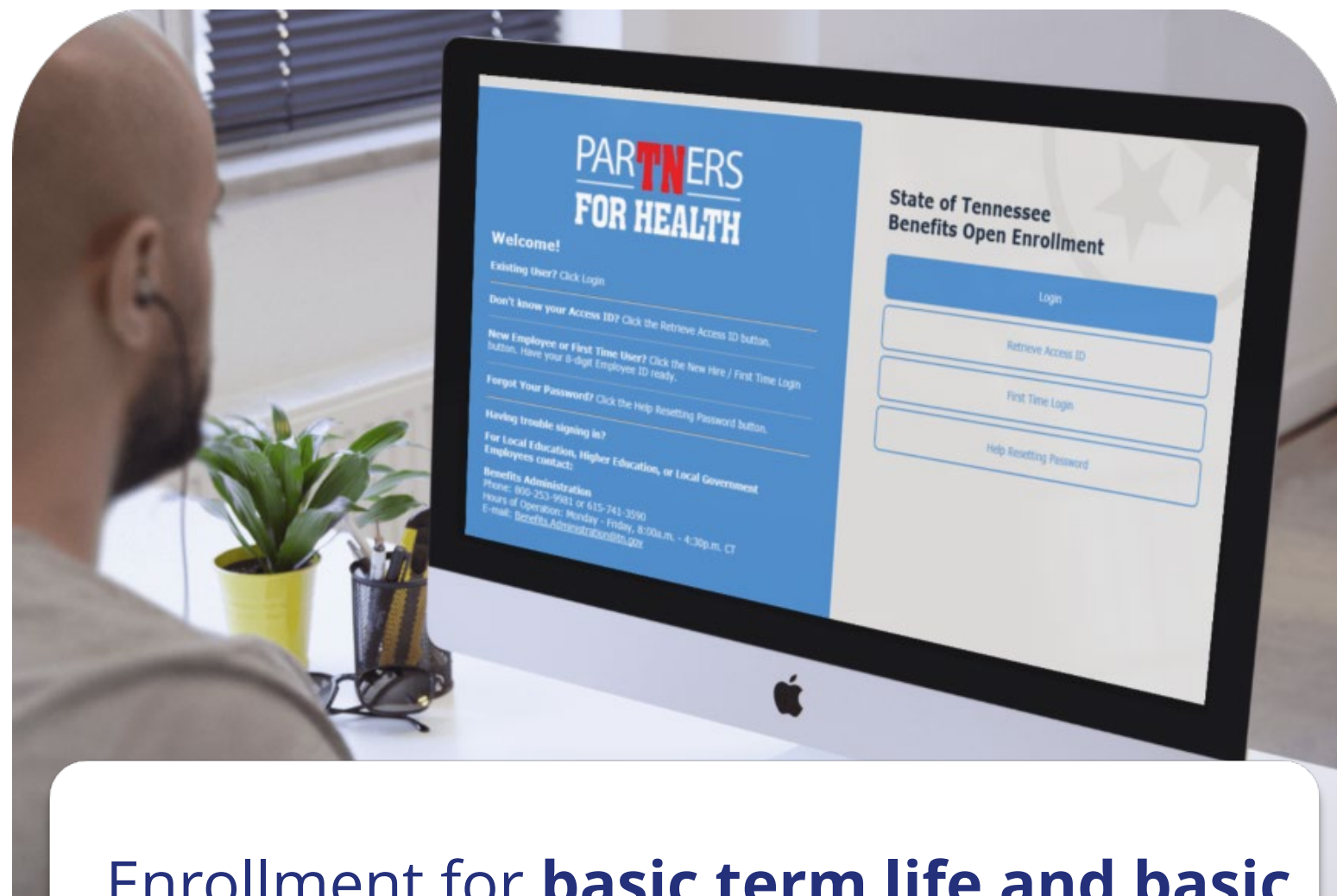
The employee coverage premium rates per \$1,000 of coverage will increase from \$0.018 to \$0.021.

# Voluntary AD&D



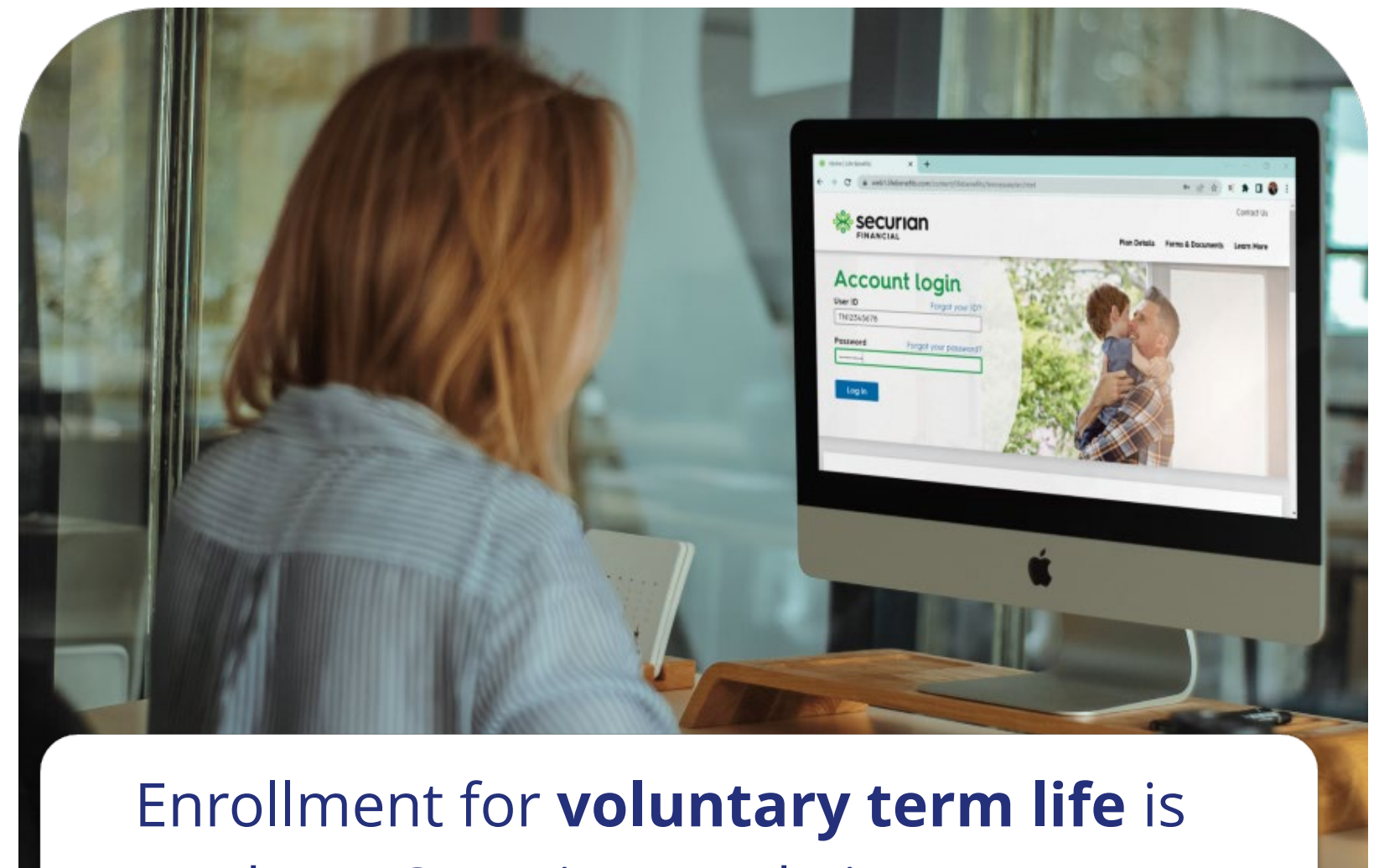
**CHANGE:** Dependent enrollment will change from generic family coverage to specifically enrolling desired eligible dependents.  
However, the voluntary AD&D coverage for enrolled dependents will continue to be a percentage of the employee's voluntary AD&D coverage.

**CHANGE:** Dependent premium rate will change from \$0.18 for family coverage to \$0.021 per \$1,000 of total dependent coverage.



Enrollment for **basic term life** and **basic AD&D** is made in Edison.

# Annual Enrollment



Enrollment for **voluntary term life** is made on Securian's website at [LifeBenefits.com/stateoftn](https://LifeBenefits.com/stateoftn).

Your User ID is the letters "TN", followed by your Edison ID number.

Your initial password is your date of birth (MMDDYYYY) followed by the last four digits of your SSN.

# QUESTIONS ?

For more information please visit  
<https://www.tn.gov/partnersforhealth/other-benefits/life.html>