

# Life Insurance

## Frequently Asked Questions

### What are the general items required when submitting a Life claim?

- Group Policyholder's Statement
- Beneficiary Claim Form
- Enrollment Form and any beneficiary changes
- CERTIFIED death certificate

### Why should the employer keep a copy of all employees' enrollment forms?

The enrollment form is a very important item, as it records the employee's life insurance beneficiary designation. To ensure that we have access to the most accurate information at claim time, we advise all employers to keep a photocopy of the enrollment forms on file with their employee records and to submit the forms in the event of a claim.

### Why is a certified death certificate required?

A certified death certificate is the official document issued by the health department to attest to the facts regarding identification of a decedent and the cause of his/her death. A photocopy can easily be altered. While we realize that the cost of certified death certificates has been increasing significantly in most localities over the past few years, this document remains a key item in establishing a claim for life insurance benefits.

### What additional information is required when submitting an Accidental Death and Dismemberment (AD&D) claim?

A police report should always be submitted with the initial claim. Upon review of this report, other possible items needed may include, toxicology report, autopsy report, Fire Marshall report, and medical records. Requirements depend on what type of accident it was.

### What is the standard turnaround time for processing a Life claim?

Five business days from the date all required information is received.

### What is the standard turnaround time for processing an AD&D claim?

Five business days from when we receive any and all additional documentation necessary to make a determination (see above).

### What is Access Advantage?

Access Advantage is our standard method of paying life insurance claims of \$10,000 or more. It allows the insurance proceeds to be placed in a competitive interest bearing account on behalf of the beneficiary. Interest is credited to the account at a rate competitive with bank money market rates. Instead of a check, a personalized checkbook will be mailed to the beneficiary. The beneficiary has immediate access to all or a portion of their proceeds simply by writing a check. The Access Advantage Program allows the beneficiary to use the account to cover their immediate needs, yet relieves them of the pressure of making important investment decisions during a time of stress and grief.

## **What is generated to confirm the claim payment and to whom is it mailed?**

For payments made through Access Advantage, an EOB (Explanation of Benefits) is mailed to the beneficiary and the employer. The following business day, the initial account packet, including the checkbook, is mailed from the service center to the beneficiary. If payment is being made by check (benefit of under \$10,000 or at beneficiary's request), the check and its attached EOB are mailed to the beneficiary and a copy is mailed to the employer. The employer may, however, request on the claim form that the check be sent to them for delivery.

## **What determines whether or not interest will be paid with a Life claim?**

Interest on life insurance and accidental death benefits is paid as required by state law. We look at the contract situs state, the state of the insured's residence and the state of the beneficiary. Whichever state is more favorable to the beneficiary, we use that state's laws to determine if interest is payable.

## **How is a Life claim paid when there is no beneficiary designation?**

It will be paid according to the "facility of payment" provision in the contract. That means it will either be paid to the estate or the next of kin in this order: Spouse, children, parents or siblings. Please refer to your specific contract.

## **What happens if a beneficiary is a minor?**

Generally, the claim proceeds are deposited into an Access Advantage account, where they remain until the child reaches the age of majority. In the event an adult wants control of the funds, they would have to apply for Guardianship of the Estate of the Minor (which is different from Guardianship of the Minor).

## **How is a Life claim paid when there is a dispute on who is the actual beneficiary(s)?**

If the dispute cannot be settled amongst the disputing parties, then the claim may have to be interpleaded. This means the claim is paid into the courts and it is up to the court to determine how the proceeds should be distributed.

## **How is a Life claim paid when the designated beneficiary has predeceased the insured?**

If the primary beneficiary(s) have predeceased the insured, then it will be paid to the contingent beneficiary(s). If there is no contingent beneficiary(s), then it will be paid according to the facility of payment provision in the contract.

## **What steps are taken when we are unable to locate a beneficiary when processing a Life claim?**

We have access to one of the most widely-utilized location tools on the internet. Our investigations have resulted in a very high success rate in locating missing beneficiaries.

## **Is there a suicide exclusion for life claims?**

Generally, basic group life insurance plans do not exclude coverage for suicide. Supplemental Life and Voluntary Life plans, however, do have a two-year suicide exclusion in most states. In addition, Accidental Death and Dismemberment coverage does not pay for suicide or self-inflicted injury.

## **What is the Waiver of Premium benefit?**

This benefit is included with most group life insurance plans we issue. It continues an employee's life insurance benefit at no cost to the employee or employer if the employee becomes totally disabled before a specified age (usually 60). Generally, the premium waiver begins after six months of disability. To establish the claim, a completed Disability Claim Form must be submitted. Once the claim is approved coverage generally continues until age 65 or earlier retirement, as long as proof of disability is provided when requested. This coverage usually continues even if the group plan terminates.

## **When should a Waiver of Premium claim be filed?**

The claim should be filed before the end of the qualifying period (usually 9 months; please refer to your contract). In any case, proof of total, continuous disability must be received no later than 12 months following the onset of disability.

## **What are the general items required when submitting a Waiver of Premium (WOP) claim?**

Generally, an Employer Statement, Employee Statement, Attending Physician Statement, Enrollment Card and Beneficiary Designation are required. Depending on the circumstances of the claim, additional information (i.e. payroll/salary verification, medical records, etc.) may be requested.

## **What is the standard turn around time for processing a WOP claim?**

Once the complete claim is received, the claim is processed within 10 business days.

## **Once a WOP claim has been approved how often do we follow up to recertify the claim?**

Generally, the updated medical information is requested and reviewed on an annual basis. However, certain individual circumstances of a claim can cause this review to be more or less frequent.

## **Do we continue to follow up on a regular basis as long as the insured remains covered under WOP?**

In most cases, we do not request updated medical information once the insured attains age 65. We do still periodically contact the insured to verify their address and to confirm that they have not returned to work.

## **What steps are taken if we lose contact of an insured while under WOP?**

We have use of a database system from an outside vendor that we can access via our computers. We have been very successful in locating missing beneficiaries.

## **Can WOP coverage be converted to an individual policy under certain circumstances?**

Yes. Coverage can be converted at anytime the benefits are reduced or terminated. The insured will receive a conversion letter and form giving them the appropriate contact information if they desire to pursue converting the reduced/lost coverage.