



Fort Bend County Podcasts

Podcast Episode 14- UNUM Part 2: Voluntary Life

September 5, 2024

Gina- Welcome back to part 2 of Unum's episode with Benefit Detectives. I'm Gina.

Wendy- And I'm Wendy. Let's continue our discussion with Unum on voluntary life.

Gina- Yes. Aaron, can you help us answer this question? So, when a person is first hired with Fort Bend County and during annual enrollment, they have the option of electing voluntary life. But not that many people understand what it is. Can you tell us what is voluntary life and if they can add anyone like child and spouse to it?

Aaron- Yes. So voluntary term life insurance is insurance you purchase to help cover expenses upon your passing. So, if you want to leave money for your spouse to cover the mortgage, your children to cover future tuition expenses, those are things that can be used to for life insurance. So, when you first are eligible you can elect up to 5 times your salary.

Gina- Okay. Good. And is there an age limit on children?

Aaron- Yes. Children can be covered up to age 26. However, if they are handicapped prior to age 26, coverage can extend past 26.

Gina- Oh, that's always good. That's good to know. And I know on the form it has a max of \$10,000 but it doesn't really list, like you have to name your children. So, it covers for everybody. Right? Like all their children under the age of 26?

Aaron- That's correct. Yes. One election covers all children where they have 1, 3, 5.

Gina- Nice. Now does the beneficiary have to be the same as a group term life or can they have a totally different person?

Joy- They can have different people for the group life and the voluntary life.

Gina- Alright. Good. Good. Because we have that in our system, and we tell everybody at least put somebody down for a group term life so they can be covered with voluntary life. But we do have some that put one person for group term and one person for voluntary. So, we send that information over to you guys when that ever arises. And then again you said that it is a term life. It is not a whole life so they cannot borrow against it. Right?



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Aaron- Correct. Think of it as a 5-year renewable term life policy. You can continue to renew it every 5 years. The rates do increase based off your age, but it is always renewable as long as you are employed with Fort Bend County.

Gina- And that brings me to my next question. So, there are different amount prices or premiums per \$10,000 for your age. So, we have some employees, and we always forget we don't pay attention to our age, but they go into the next age bracket and that gets them. They're like, woah. What happened to my premiums? It went up. And I always say, did you have a birthday? Did you go over that 5-mark increase? So, yeah. That's good to know. Another question that we get is can they make changes during the year? So sometimes an employee can't afford it anymore. Like, maybe there's something happened in their life that they can't afford it. Can they make changes during the year to their amounts?

Joy- They can. Since it's a voluntary plan, they can decrease the amount or even cancel it during the year if they want. And they can also make a change during the year if they have what we call a change in status or a qualified life event. Yes. So that would be if someone gets married or has a baby, something like that.

Gina- Yes. Because we do have those that occur like that. So, thank you for bringing that up. I'm so glad you did.

Wendy- And I know when people sign up for voluntary life, they're sometimes subject to an EOI. What is an EOI and when would you have to do it?

Joy- EOI is evidence of insurability. So that means that the person would need to answer questions regarding their health history and be reviewed by Unum and be approved for coverage. So, if they are a new hire and they are enrolling, on time when they're first eligible, the employee can get up to \$200,000 on themselves, 30,000 on their spouse without answering any medical questions. If they want any amount over that amount, then they'll have to answer medical questions for, you know, the additional coverage. And then if they don't enroll when they're first eligible and they want to wait till, say, next annual enrollment, and, then they would have to answer questions no matter what amount. So, it's important to take advantage of that window when they're first hired.

Wendy- So how does accidental death and dismemberment work? And when does it double?

Joy- Yeah. So accidental death and dismemberment, which we refer to as AD and D, there's really two components to that coverage. The accidental death portion will pay if the person should die from a covered accident, and it would be I guess you could say considered to be double because it would pay in addition to the life insurance.



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Joy- So if they pass from a covered accident, the life insurance would pay, and the accidental death benefit would also pay. The second part of that is the dismemberment component. So, what that means is that there is a set benefit schedule that would pay out as a percentage of the employee's benefit depending on the loss. So, this would be something like they were in an accident, and they lost an arm, lost a leg, lost sight, lost hearing, different things like that. And that's paid out on a specific schedule based on what happened.

Wendy- Wow. That's a lot of great information.

Gina- Yes. It was. I know we have a lot of employees that have had questions over like the GTL and ADD and volunteer life and I know this will help answer those questions. So, thank you.

Wendy- Yes. Thank you both for joining us.

Gina- Well, that will conclude this week's benefit detective podcast. I'm Gina.

Wendy- And I'm Wendy. And make sure you listen next Thursday for our next podcast.

Gina- And remember, the benefit detectives are here to help.