Life Insurance

VIRGINIA BANKERS ASSOCIATION
Benefits Corporation

Providing your family with financial security in the event of your death is a benefit that most employees find unpleasant to think about, but is nonetheless important. Have you ever wondered how your family would replace your income if you were to die? This plan provides you with the life insurance coverage you need to ensure your family's financial well being if you should die. And, the plan also offers you additional coverage in the event you die or are injured as a result of an accident.

Coverage For You

Life insurance coverage is available to you in multiples of your basic annual salary, rounded to the next higher $1,000 (if not already a multiple of $1,000). This is subject to a maximum of 8 times salary, or $1,500,000, whichever is less (combined maximum includes supplemental life).

Additionally, you are eligible for an Accidental Death & Dismemberment principal benefit. AD&D benefits are payable for loss of life in an accident, but may also be payable for losses such as sight, speech, or hearing, or the loss of a hand or foot, that are a result of an accident which does not result in death. There is also an additional benefit if a seat belt or air bag is in use.

Your employer will provide a basic amount of Life Insurance and Accidental Death and Dismemberment (AD&D). You then have the opportunity to purchase Supplemental Life, up to a combined maximum of 8 times your salary (with Basic). For example, if your basic coverage is equal to 2 times your annual salary, then you could buy as much as an additional 6 times your salary of Supplemental Life. An age-based table determines rates so that your cost is competitive with other life insurance plans. Guarantee Issue (GI) is the lesser of 5x salary or $500,000. Any requested amounts above this limit is subject to underwriting. Additional AD&D coverage is available on a voluntary basis for you and/or your family and all amounts are GI.

Supplemental Life can be continued if you should leave your employer. This feature, known as Portability, allows you to keep the coverage you have at attractive group rates. More information is available in the Life Insurance Booklet.

Coverage For Your Family You may also provide coverage for your spouse and dependent children under age 19 (25 if a full-time student) through the Dependent Term Life Plan. Coverage options for spouse are increments of $10,000, up to $100,000, with $30,000 GI. Coverage for dependent children are increments of $5,000, up to $20,000. Children between live birth and 6 months are covered for $500. Dependent life benefits can be ported, as explained in the Life Insurance Booklet.

REVISED 10.2018

Accelerated Death Benefit

If you should become terminally ill, with a life expectancy of 12 months or less, you may be eligible for a full or partial payment of benefits. The Terminal Illness Proceeds provision will pay 100% of your Life Insurance amount, up to $1,000,000, to you. The amount paid is subject to the reduction schedule below, and may be taxable, so you should consult your tax advisor. Please consult the Life Insurance Booklet for complete information.

Reduction Due to Age

If you are an active employee, the amounts of your Life and Accidental Death & Dismemberment Insurance will be reduced to 45% of your basic salary, rounded to the next higher $1,000 when you reach age 70. For example, if your basic annual salary on your 70th birthday is $30,000, your benefit amount will be reduced to 45% or $14,000 ($13,500 rounded up to the next higher $1,000). At age 75 your life insurance will be reduced to 33%, or $10,000.

When You Retire

Your Accidental Death & Dismemberment Insurance ends when you retire. If your bank covers retired employees in their Life Insurance Plan, the amount of your Life Insurance will be reduced to 1/3 of the amount in effect immediately prior to your retirement date, rounded to the next higher $1,000, on the date you retire. Otherwise, your life insurance coverage ends when you retire.

Disability

If Life Insurance is being continued without premium because of total disability, your Life Insurance will end on your 65th birthday, or when you are no longer disabled.

Choosing A Life Insurance Option

Think carefully about the life insurance needs of you and your family. Compare these needs with the cost of coverage, and then select the amount of coverage that is best for you. For example, if you are single with no dependents, you may only want the coverage provided by your employer. However, if you have a family, you may want to buy additional coverage to protect your family's financial security in the event of your death. Before making your selection, carefully weigh your needs against the attractive cost of this life insurance coverage.