



Supplement group insurance coverage

Group insurance generally provides coverage for a group of people, such as employees of a specific company, professionals of an industry or members of a union. In February 1985, the NALC and the MBA established a \$5,000 basic group accidental death insurance G-001 policy. Currently, all NALC active and retired members are provided this benefit at no cost to the members or the branches. The NALC pays all the premiums for basic G-001 accidental death policies.

In addition to coverage under the basic G-001 policy, MBA offers supplemental group insurance policies to the branches that elect to provide additional accidental death benefits and/or term life insurance for their active branch members, including TEs. No physical exams or individual insurance applications are required for a member to be covered by any of MBA's group G-001 policies.

At the close of our 2009 fiscal year, MBA had paid \$846,083 in G-001 supplemental group insurance claim benefits to the beneficiaries of those branches that purchased this additional coverage for their members, in addition to nearly \$5 million in claims being paid out in basic accidental death benefits since 1985. Branch members are not required to pay any premiums for the G-001 policies. The NALC pays for the basic ADB group coverage plan and the branches pay for their elected supplemental group plans.

MBA's G-001 Supplemental Term Life insurance plan will insure branch members for an amount as little as 3 cents per month per member for every \$1,000 worth of coverage and as much as 75 cents per month per member for \$25,000 worth of accidental death coverage. There is no accumulated cash value attributed to either of the G-001 plans.

The terms of the NALC and branch-elected accidental death benefits are the same. A death must be a result of direct bodily injuries sustained by an accident. For example, a death can be considered an accident from blunt-force injuries to the head or body, an accidental overdose of medication, homicide or a car accident. Yet, the most common causes of accidental deaths are the fatalities from a fall. An important fact to know is that the MBA does not determine the manner of death as accidental or not, but the pronouncing physician, the coroner's office

or medical examiner does. The certificate of death must state that the manner of death was accidental.

On the other hand, our G-001 Supplemental Term Life insurance plan pays a death benefit no matter what the cause or manner of death is. Branch members can have added protection at the rate of 44 cents per \$1,000 worth of life protection not to exceed \$20,000 of term life insurance at the rate of \$7.50 a month per active member. When a branch purchases one or both of the G-001 supplemental coverage plans, it must provide coverage for all of its active members for the same amount of coverage through the MBA.

Consequently, after a branch member retires, their branch group coverage terminates under the G-001 supplemental insurance plans. Do not despair—MBA has a conversion period for retiring members, membership termination of active branch members and the cancellation of group supplemental term life plans by a branch. Members previously insured under this plan have a 31-day option period to convert to an individual insurance policy with us without taking a physical exam by providing a written application to the MBA. The conversion amount of insurance cannot exceed the elected amount of coverage that the branch has or had covering its active members. Under the conversion option, premiums are based upon the individual insured's age at the time of conversion.

Not only do the branch members' beneficiaries benefit from the branches' electing to give their members added supplemental protection, a pro-rated portion of all unused premiums is refunded annually to the participating branches as an experience refund.

MBA has made the application process very easy for branches to apply for additional group accidental and/or life insurance coverage. Please contact the Group Insurance Department for more information. ☒

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