

# HealthChoice Life Insurance Handbook



**OSEEGIB**  
Oklahoma State and Education  
Employees Group Insurance Board  
*A Division of the Office of State Finance*

## **Update to Printed Version of This Guide**

*Update to Waiver of Premium section on page 11:*

Your coverage includes a Waiver of Premium benefit if you become disabled. You must provide an Application for Life Premium Waiver. If you are not a participating member of the HealthChoice Disability Plan, you must also provide a physician's certification of your disability. This waiver can be requested at any time after you have been disabled for 30 consecutive days. If approved, the waiver becomes effective the first of the month following the approval. Your waiver ends when you are no longer disabled, return to duty, terminate employment, or your employer ceases to participate in the HealthChoice Life Insurance Plan.

# HEALTHCHOICE LIFE INSURANCE PLAN

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Any updates made to this handbook after printing can be found on the OSEEGIB website at **[www.sib.ok.gov](http://www.sib.ok.gov)** or **[www.healthchoiceok.com](http://www.healthchoiceok.com)**.

# Plan Identification Information and Notice

## Revised January 2012

- Plan Name:** HealthChoice Life Insurance Plan
- Plan Administrator:** Oklahoma State and Education Employees Group Insurance Board (OSEEGIB)  
a division of the Office of State Finance  
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Oklahoma City, OK 73112  
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Website: [www.sib.ok.gov](http://www.sib.ok.gov)  
or [www.healthchoiceok.com](http://www.healthchoiceok.com)
- Life Claims Administrator:** HP Administrative Services, LLC  
P.O. Box 24870  
Oklahoma City, OK 73124-0870  
1-405-416-1800 or toll-free 1-800-782-5218  
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**Notice:** The Oklahoma State and Education Employees Group Insurance Board (OSEEGIB), a division of the Office of State Finance, provides term life insurance benefits to eligible state, education, and local government employees, former employees, survivors, and their dependents in accordance with the provisions of Oklahoma Statutes Title 74, Sections 1301, et seq. The information provided in this handbook is a SUMMARY of the benefits, conditions, limitations, and exclusions of the HealthChoice Life Insurance Plan. It is not to be considered an all-inclusive listing.

HealthChoice Plan benefits are subject to conditions, limitations, and exclusions. These conditions, limitations, and exclusions are described and located in Oklahoma Statutes, OSEEGIB Rules, and Administrative Procedures adopted by the Plan Administrator. You can obtain a copy of the official OSEEGIB Rules from the Office of the Oklahoma Secretary of State. A copy of the Administrative Procedures can be obtained from the Plan Administrator.

### **PLEASE READ THIS HANDBOOK CAREFULLY**

A dispute concerning information contained within any plan handbook or any other written materials, including any letters, bulletins, notices, or other written document, or oral communication, regardless of the source, shall be resolved by a strict application of OSEEGIB Rules or Benefit Administration Procedures and guidelines as adopted by the Plan. Erroneous, incorrect, misleading, or obsolete language contained within any handbook, other written document, or oral communication, regardless of the source, is of no effect under any circumstance.

This life insurance handbook replaces and supersedes any life insurance handbook previously issued to you. This handbook will, in turn, be superseded by any subsequent life insurance handbook issued to you by OSEEGIB.

A text version of the HealthChoice Life Insurance Handbook is available on the OSEEGIB website at **www.sib.ok.gov** or **www.healthchoiceok.com**. This handbook is also available in CD format at the Oklahoma Library for the Blind and Physically Handicapped (OLBPH). Contact the OLBPH at 1-405-521-3514, toll-free 1-800-523-0288, or TDD 1-405-521-4672.

This publication was printed by the Oklahoma State and Education Employees Group Insurance Board, a division of the Office of State Finance as authorized by 74 O. S., Section 1301 et seq. 2,500 copies have been printed at a cost of \$1.205 each. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.

# HealthChoice Life Insurance Plan

The HealthChoice Life Insurance Plan is a group term life insurance plan. Term life insurance pays benefits upon the death of the insured, but it has no cash surrender value.

Basic Life provides \$20,000 of coverage and includes Accidental Death and Dismemberment (AD&D) benefits.

If you elect Basic Life, you can also purchase additional coverage on yourself by electing Supplemental Life. Supplemental Life is available in \$20,000 units, and the first \$20,000 of coverage includes AD&D benefits. The maximum amount of Supplemental Life available is \$500,000.

If you elect Basic life, you can elect Dependent Life coverage for your eligible dependents.

Your life benefits also include Waiver of Premium. In the event you become disabled and remain disabled, premiums for you and your covered dependents can be waived.

# Summary Schedule of Basic and Supplemental Life Benefits

## Current Employees

### Basic Life

Basic Life provides \$20,000 of coverage. This amount is paid to your beneficiary or beneficiaries in the event of your death. Basic Life coverage includes Accidental Death and Dismemberment (AD&D) benefits and Waiver of Premium. See the *Summary Schedule of Accidental Death and Dismemberment Benefits* and *Waiver of Premium* sections.

### Supplemental Life

If you enroll in Basic Life, you can also enroll in Supplemental Life.

Supplemental Life must be purchased in \$20,000 units. An approved *Life Insurance Application* is required for amounts above Guaranteed Issue. See the *Guaranteed Issue* section.

The first \$20,000 of Supplemental Life includes Accidental Death and Dismemberment (AD&D) benefits. See the *Summary Schedule of Accidental Death and Dismemberment Benefits* section.

**Supplemental Life benefits are in addition to the \$20,000 of Basic Life.**

### Guaranteed Issue

Guaranteed Issue refers to the set amount of Supplemental Life coverage available to you during your initial enrollment without providing a *Life Insurance Application*. This amount is available to you **only** during the first 30 days you are eligible to enroll in the Plan. Guaranteed Issue is equal to two times your

current annual salary, with the total rounded up to the next \$20,000 unit.

**Example:** *Your salary is \$23,000. Multiply \$23,000 by 2, which equals \$46,000, then round this amount up to the next amount divisible by \$20,000, or \$60,000. This is the maximum Guaranteed Issue amount available to you.*

Coverage elected during your initial enrollment, up to the Guaranteed Issue amount, is effective on the first day of the month following the day you become eligible.

To purchase coverage above Guaranteed Issue during your initial enrollment, a *Life Insurance Application* must be submitted and approved. Supplemental Life coverage above Guaranteed Issue is effective the first day of the month following approval of your *Life Insurance Application*. See the *Changes to Coverage After Initial Enrollment* section.

## **Maximum Amount of Supplemental Life**

The maximum amount of Supplemental Life available is \$500,000.

If you do not elect life insurance during your initial enrollment, you can apply for coverage during the annual Option Period. A *Life Insurance Application* must be submitted and approved.

## **Life Insurance Application**

*A Life Insurance Application* is required when you:

- ◆ Want coverage in an amount greater than two times your annual salary during your initial enrollment
- ◆ Want to enroll in or increase life coverage during the annual Option Period

## Former Employees

If you meet eligibility requirements, you can keep any life insurance coverage in effect when you terminate employment. Former employees can keep or reduce benefits in \$5,000 units. You can keep as little as \$5,000 up to the full amount of life coverage you had at the time you terminated employment.

Coverage for former employees does not include Accidental Death and Dismemberment (AD&D) benefits or Waiver of Premium.

Any life coverage you elect to keep when you terminate employment can be decreased in \$5,000 units or canceled.

***Example:** At retirement, you elect to keep \$30,000 of life coverage. At a later date, you can choose to decrease your coverage to \$25,000 or \$20,000 or any other \$5,000 unit, or you can cancel coverage entirely.*

**You cannot reinstate any coverage you canceled unless you return to work with a participating employer and meet all eligibility requirements. See the *Reinstatement of Coverage* section.**

**Note:** Prior to July 1, 2002, no more than \$15,000 of Basic Life coverage could be kept when terminating employment.

# Summary Schedule of Dependent Life Benefits

## Current Employees

If you enroll in Basic Life, you have the option to elect Dependent Life insurance for your eligible dependents. There are three levels of coverage: Low Option, Standard Option, or Premier Option. The following schedule gives the amount of coverage for each level:

<b>Dependent Life*</b>	<b>Low Option</b>	<b>Standard Option</b>	<b>Premier Option</b>
Spouse	\$ 6,000	\$ 10,000	\$ 20,000
Child age 6 months to 26 years	\$ 3,000	\$ 5,000	\$ 10,000
Child live birth to 6 months**	\$ 1,000	\$ 1,000	\$ 1,000
<p>*Dependent Life does not include Accidental Death and Dismemberment (AD&amp;D) benefits.  **There are no benefits payable for stillborn children.</p>			

During initial enrollment, you can elect any level of Dependent Life coverage. Thereafter, coverage can be added or changed only during the annual Option Period or within 30 days of a dependent losing other group life insurance coverage.

*A Life Insurance Application* is not required to add Dependent Life.

Dependent Life covers all eligible dependents. The premium cost is the same whether you have one dependent or several; however, you must name all the dependents you want to cover.

**Note:** Eligible dependent children can be covered by more than one parent if both parents are enrolled in Basic Life.

## Former Employees

If you are eligible to keep life insurance coverage when you terminate employment, you can also keep any Dependent Life coverage in force in \$500 units. Dependent Life premiums for former employees are **per covered dependent**.

For former employees, Waiver of Premium does not apply to Dependent Life coverage. AD&D benefits never apply to Dependent Life coverage.

## Summary Schedule of Accidental Death and Dismemberment Benefits

### Current Employees

Basic Life and the first \$20,000 of Supplemental Life include Accidental Death and Dismemberment (AD&D) benefits.

Accidental Death and Dismemberment benefits are available only to current employees and are as follows:

<b>Loss of</b>	<b>With Basic Life</b>	<b>With Supplemental Life</b>
Life	\$ 20,000	\$ 20,000
Both hands, both feet, or sight of both eyes	\$ 20,000	\$ 20,000
One hand, one foot, or sight of one eye	\$ 10,000	\$ 10,000

Benefits for loss of life as a result of an accident require that the insured's death occur at the time of, or within 90 days immediately following the date of, the accident. The insured's death must be a direct result of the accident.

**Examples of Accidental Death Benefits:** *An employee with \$20,000 Basic Life and the first \$20,000 Supplemental Life is involved in a serious car accident and later dies.*

◆ *If the employee dies within 15 days of the accident and death is a result of injuries caused by the accident, the beneficiaries receive \$80,000. The standard life benefit is \$40,000 and the Accidental Death benefit is \$40,000.*

◆ *If the employee dies 97 days following the accident, even if death is a result of injuries caused by the accident, the beneficiaries receive \$40,000. The beneficiaries receive only the standard life benefit because the death occurred after the 90-day limit for AD&D benefits.*

◆ *If the employee suffers a heart attack and dies 36 days following the accident but the heart attack was not caused by the accident, the beneficiaries receive \$40,000. The beneficiaries receive only the standard life benefit because the employee's death was not a direct result of the accident.*

Benefits for the loss of limb as the result of an accident require severance of the limb from the body, at or above the wrist or at or above the ankle at the time of or within 90 days immediately following the date of the accident.

Benefits for the loss of sight as the result of an accident require full, irreversible, and non-correctable loss of sight at the time of or within 90 days immediately following the date of the accident.

**Example of Accidental Dismemberment Benefits:** *An employee with Basic Life coverage is involved in an accident and loses a hand. The Accidental Dismemberment benefit pays \$10,000. If the employee is also enrolled in Supplemental Life, additional benefits of \$10,000 are paid. The Accidental Dismemberment benefit pays per loss, as described in the chart on the previous page.*

Some limitations may apply. See the *Benefit Guidelines, Exclusions, and Limitations* section.

## Former Employees

AD&D benefits are **not** available to former employees or their dependents.

## Waiver of Premium

### Current Employees

Your coverage includes a Waiver of Premium benefit if you become disabled. You must provide a physician's certification of your disability and submit an *Application for Life Premium Waiver*. This waiver can be requested at any time after you have been disabled for 30 consecutive days. If approved, the waiver becomes effective the first of the month following receipt of your application by OSEEGIB. Your waiver ends when you are no longer disabled, return to duty, terminate employment, or your employer ceases to participate in the HealthChoice Life Insurance Plan. While the waiver is in effect, you are not required to pay life insurance premiums for your or your dependents' coverage. Waiver of Premium never applies retroactively.

Waiver of Premium is **not** available to surviving dependents who continue life insurance coverage.

### Former Employees

Waiver of Premium is **not** available to former employees or their dependents.

## Benefit Guidelines, Exclusions, and Limitations

There are no benefits payable under the HealthChoice Life Insurance Plan during the first 24 months of coverage when death is the result of suicide. The 24-month exclusion period applies to any additional increases in life coverage, but does not affect any coverage that has been in force longer than 24 months.

There are no benefits for Accidental Death and Dismemberment as the result of the following:

1. Suicide, attempted suicide, intentional self-destruction, or intentional self-inflicted injury while sane or insane
2. Committing an assault or felony, including participation as an aggressor in a riot or insurrection
3. Wholly or partly, directly or indirectly, by disease, physical or mental, or by medical or surgical treatment, or the diagnosis of any of the above
4. Wholly or partly, directly or indirectly, by bacterial infection, other than septic infection of and through a visible wound, sustained solely through external and accidental means
5. Any narcotic, drug, poison, gas, or fumes, voluntarily taken, administered, absorbed, or inhaled, unless prescribed for the exclusive use of the deceased, or administered by a licensed provider for a legal purpose
6. Hang gliding, sky diving, or flying experimental aircraft

## Payment of Plan Benefits

### Beneficiaries

In the event of your death, benefits are paid to your beneficiaries in a lump sum. It is important that you name your beneficiaries when you enroll and keep your beneficiaries up to date. You can change beneficiaries at any time, but you must submit a written request for a change. You can obtain a *Beneficiary Designation Form* from your employer, HealthChoice, or from our website at [www.sib.ok.gov](http://www.sib.ok.gov) or [www.healthchoiceok.com](http://www.healthchoiceok.com). If you do not name your beneficiaries, benefits are paid to your estate.

You should be aware that HealthChoice has no option but to pay life benefits to the beneficiaries listed in our files at the time of death.

Benefits for Dependent Life coverage are always paid to the primary member.

# Claim Procedures

## Filing a Claim

A *Life Insurance Claim Form* can be obtained by calling the life claims administrator or from our website at [www.sib.ok.gov](http://www.sib.ok.gov) or [www.healthchoicook.com](http://www.healthchoicook.com). The claim form and an original or certified copy of the Death Certificate must be submitted to the life claims administrator. See the *Plan Identification Information and Notice* section.

## Claim Filing Deadline

**Claims must be received by HealthChoice no later than the last day of the calendar year following the year the claim was incurred.** For example, if the death occurred July 1, 2011, the claim is accepted through December 31, 2012.

Exceptions to this rule can be made when it can be shown that it was not reasonably possible to furnish proof of loss within the specified time and that the proof was furnished as soon as reasonably possible.

## Disputed Claims Procedure

If a claim is denied in whole or in part for any reason, beneficiaries have the right to have that claim reviewed.

Requests for review of a denied claim, along with any appropriate additional information, must be submitted in writing to the life claims administrator. See the *Plan Identification Information and Notice* section.

If the claim remains denied after a claims review, that decision can be appealed to the Grievance Panel by contacting:

The Legal Grievance Department  
3545 NW 58 Street, Suite 110  
Oklahoma City, OK 73112  
or call 1-405-717-8701 or toll-free 1-800-543-6044  
TDD users call 1-405-949-2281 or toll-free 1-866-447-0436

The Grievance Panel is an independent review group established by Oklahoma statute [74 O.S. Section 1306(6)].

Beneficiaries can submit a request for a Grievance Panel hearing and represent themselves in these proceedings; otherwise, only attorneys licensed to practice in Oklahoma are permitted to submit a hearing request on behalf of individuals or represent them through the hearing process [75 O.S. Section 310(5)].

All claim reviews and final decisions of the Grievance Panel are made as quickly as possible. After exhausting the claim review and grievance procedures, an appeal can be pursued in Oklahoma District Court.

## **General Provisions**

### **Misstatement of Information**

Upon receipt of a claim for life benefits, the Plan first confirms the accuracy of the information on which coverage was issued.

If any Supplemental Life insurance coverage is obtained by the use of false or misleading information, all coverage obtained by the use of that information is canceled and premiums are refunded to the beneficiaries.

In the event the age of the insured is misstated, the value of coverage and benefits are adjusted to equal the coverage that premiums would have purchased had the age been correctly stated.

## Legal Action

Any legal action to recover under this Plan must be brought pursuant to the Administrative Procedures Act. Any action must be brought within three years of the claim filing deadline.

## Premiums Due at Death

Any life insurance premiums due and payable at the time of the member's death can be withheld from life insurance benefits.

## Eligibility

### Current Employees Enrollment and Effective Dates

You are eligible to elect Basic Life if you are:

- ◆ Working for a participating employer
- ◆ Receiving compensation for services rendered
- ◆ Listed on the employer's payroll
- ◆ Enrolled in one of the health plans offered through OSEEGIB or have other verifiable group health coverage
  
- ◆ **State and local government employees** must be employed in a position requiring a minimum of 1,000 hours per year and not classified as a temporary or seasonal employee.
- ◆ **Education employees** must be eligible to participate in the Oklahoma Teachers' Retirement System and work a minimum of four hours per day or 20 hours per week.
- ◆ **Other persons** elected by popular vote (state and local government), board members of education employers, rural water district board members, and county election board secretaries.

**Note:** Eligible board members that do not draw a salary are limited to \$20,000 Basic Life and \$20,000 Supplemental Life coverage.

If you declined member or dependent life coverage in the Plan because you had other group life coverage, you can request coverage within 30 days of the loss of your other group life coverage. You can enroll in the same amount of coverage you lost, rounded up to the next \$20,000 unit, without a *Life Insurance Application*; however, you must provide proof of loss of other group life insurance coverage.

## Eligible Dependents

If you enroll in Basic Life, you have the option to elect Dependent Life for your eligible dependents. Eligible dependents include:

- ◆ Your legal spouse.
- ◆ Your daughter, son, stepdaughter, stepson, eligible foster child, adopted child or child legally placed with you for adoption up to age 26, whether married or unmarried.
- ◆ Your dependent, regardless of age, who is incapable of self-support due to a disability that was diagnosed prior to age 26. A *Disabled Dependent Assessment Form* must be submitted at least 30 days prior to the dependent's 26th birthday. The *Disabled Dependent Assessment Form* must be approved by OSEEGIB before coverage begins.
- ◆ Other unmarried dependent children up to age 26, upon completion of an *Application for Coverage for Other Dependent Children*. Guardianship papers or a tax return showing dependency can be provided in lieu of the application.

Common-law marriages are recognized by the Plan. A new employee can add a common-law spouse at the time of enrollment. A current employee can request coverage on a common-law spouse during the annual Option Period or in the event the common-law spouse loses other group coverage. To enroll a common-law spouse, the employee and spouse must sign and submit an enrollment or change form.

## Coverage for Other Eligible Dependents

You can cover certain other dependents if they are legally adopted, you have legal guardianship, or the dependents meet other specific requirements. To cover these dependents, you must:

- ◆ Request coverage within the set time frame
- ◆ Provide the necessary documentation
- ◆ Meet all eligibility requirements
- ◆ Pay all premiums
- ◆ Cover all eligible dependents

## Legal Adoption

An adopted dependent is eligible for coverage the first day of the month you obtain physical custody of your child. You must submit an enrollment or change form to HealthChoice, including a copy of your adoption papers. In the absence of adoption papers or other court records, someone involved in the adoption process, such as your attorney or a representative of the adoption agency, must provide proof of the date you actually received custody of your child pending the final adoption hearing.

You must request coverage within 30 days of the date of the initial placement for adoption, otherwise:

- ◆ Current employees cannot add coverage until the next annual Option Period
- ◆ Former employees cannot add coverage at any future date

## Legal Guardianship

Guardianship follows the same guidelines as an adoption.

## Other Forms of Custody

In the absence of a court order indicating adoption, guardianship, or divorce, you can request coverage for other eligible dependents by submitting an enrollment or change form and a copy of the portion of your most recent income tax return listing the children as dependents for income tax deduction purposes.

Coverage for other eligible dependents begins on the first day of the month following the date you obtain physical custody and never applies retroactively.

In the absence of a federal income tax return listing the children as dependents, you are required to provide an *Application for Coverage for Other Dependent Children* as specified by the Plan. Coverage begins on the first day of the month following approval of the application and never applies retroactively.

You must request coverage within 30 days of the date of initial placement, otherwise:

- ◆ Current employees cannot add coverage until the next annual Option Period
- ◆ Former employees cannot add coverage at any future date

**Note:** The Plan has the right to verify the dependent status of children, to request copies of the portion of your most recent income tax return listing the children as dependents, and to discontinue coverage for dependents who are ineligible for coverage.

## Former Employees Enrollment and Effective Dates

If you terminate employment with a participating employer, you can keep all or a portion of the life coverage in effect at the time of your termination, if you qualify under **one** of the following conditions:

- ◆ You have a vesting or retirement right through one of the State of Oklahoma retirement systems
- ◆ You have rights to temporary continuation of insurance coverage as a result of termination of employment through a Reduction in Force (RIF) in accordance with state statute
- ◆ You are currently drawing disability benefits through the disability plan provided through OSEEGIB or meet every requirement of the disability program
- ◆ Your employer participates with both OSEEGIB and the Oklahoma Public Employees Retirement System (OPERS), and you have completed eight years of service with your employer but do not have a vesting right
- ◆ Your employer participates with both OSEEGIB and the Oklahoma Teachers' Retirement System (TRS), and you have completed ten years of service with your employer but do not have a vesting right. This includes elected school board members.
- ◆ Your employer is a local government entity participating with OSEEGIB but not with the Oklahoma Public Employees Retirement System (OPERS), and you have a minimum of eight years of service with the employer
- ◆ Your employer is an educational entity participating with OSEEGIB but not with the Oklahoma Teachers' Retirement System (TRS), and you have a minimum of ten years of service with the employer

**There can be no break in coverage.** Your election to keep coverage must be made within 30 calendar days following your termination of employment. If you do not elect benefits within 30 days, you will not have a future opportunity to elect life coverage.

## **Education Employees**

If you were a career tech employee or a common school employee who terminated employment on or after May 1, 1993, you can continue coverage through the Plan as long as the school system from which you retired or vested continues to participate in the Plan. If your former school system terminates coverage under the Plan, you must follow your former employer to its new insurance carrier.

If you were an employee of an education entity other than a common school (e.g., higher education, charter school, etc.), you can continue coverage through the Plan as long as the education entity from which you retired or vested continues to participate in the Plan. If your former employer terminates coverage with the Plan, you must follow your former employer to its new insurance carrier.

## **Local Government Employees**

If you were a local government employee who terminated employment on or after January 1, 2002, you can continue coverage through the Plan as long as the employer from which you retired or vested continues to participate in the Plan. If your former employer terminates coverage with the Plan, you must follow your former employer to its new insurance carrier.

## **New Employer Retirees**

All retirees of employers that join the Plan after the grandfathered dates specified earlier must follow their former employer to its new insurance carrier.

## **Following Your Employer to a New Plan**

When you terminate employment, your benefits are tied to your most recent employer. If your most recent employer ends their participation with OSEEGIB, some or all of the employer's

retirees and their dependents (depending on the type of employer) must follow the employer to its new insurance carrier. This is true regardless of the amount of time you were employed with any participating employer.

If you retire and then return to work for another employer and enroll in benefits through your new employer, your benefits are tied to your new employer.

**Note:** You cannot reinstate coverage that you discontinue or allow to lapse unless you return to work as an employee of a participating employer and maintain that coverage for three years. Some reinstatement exceptions may apply if you are a state employee who terminated employment as a result of a Reduction in Force (RIF).

## Changes To Coverage After Initial Enrollment

### Current Employees

After your initial enrollment, you can enroll in or increase life coverage during the annual Option Period, within 30 days of the loss of other group life coverage, or within 30 days of a qualifying event. A *Life Insurance Application* may be required. See the *Life Insurance Application* section.

Certain qualifying events allow a midyear change in coverage. You can enroll in life coverage, increase life coverage, or add new dependents to your coverage. An enrollment or change form must be completed within 30 days of the qualifying event.

All midyear changes to coverage must be in compliance with the rules of your employer's Section 125 Plan, or if no 125 Plan is offered, in compliance with allowed midyear coverage changes as defined by Title 26, Section 125 of the Internal Revenue Codes (as amended) and pertinent regulations.

Decreases in coverage must be made during the annual Option Period unless otherwise specified by your employer.

All increases or decreases to coverage must be made in \$20,000 units.

## Former Employees

You cannot increase your coverage. You can decrease or cancel your coverage by submitting the appropriate forms. Decreases to your coverage must be made in \$5,000 units. Decreases to dependent coverage must be made in \$500 units.

***Example of Decreasing Coverage:** At retirement, a former employee keeps life insurance coverage in the amount of \$30,000. At Option Period, they decide to decrease their coverage to \$15,000. The decrease equals three \$5,000 units for a total of \$15,000.*

**Note: If you are in the process of a legal separation or divorce, it is important you contact your legal representative for advice before making any changes to your coverage.**

## Options for Members Called to Active Military Service

Under the Uniform Services Employment and Re-employment Rights Act of 1994 (USERRA), coverage can be continued for up to 24 months. USERRA provides certain rights and protections for all employees called to serve our nation. All branches of the military, including the Army, Navy, Marines, Air Force, Coast Guard, all Military Reserve units, and all National Guard units come under USERRA.

In addition to health care provided by the military, you have the following three choices regarding your current coverage.

1. Keep all coverage. Your current employer is responsible for collecting and forwarding all premiums to OSEEGIB.
2. Discontinue all coverage except life insurance. You will be billed directly.
3. Discontinue all member and dependent coverage.

Regardless of whether you receive written or verbal military orders, the OSEEGIB staff and/or your Insurance/Benefits Coordinator will assist you in making any benefits arrangements.

There is no penalty for renewing coverage upon discharge from active duty if coverage is elected within 30 days of the return to the same employment.

If you are a member of a Military Reserve unit or the National Guard and anticipate being called to active service, notify your Insurance/Benefits Coordinator at work.

## **Termination of Coverage**

Your coverage, as well as any dependent life coverage in force, ends the last day of the month in which any one of the following events takes place:

1. You terminate employment and do not continue coverage as a former employee.
2. The Plan is terminated or your employer ceases to participate in the Plan.
3. You fail to make premium payments. Coverage ends the last day of the month for which premiums are paid.

Dependent life coverage ends on the last day of the month in which your dependent becomes ineligible.

# Surviving Dependents' Right to Continue Life Insurance Coverage

When a primary member who has Dependent Life dies, a surviving spouse and/or surviving dependent children can continue Dependent Life coverage. A surviving spouse and/or surviving dependent children have 60 days following the primary member's death to notify OSEEGIB of their decision to continue life insurance coverage. Additionally, a surviving spouse can elect to continue any Dependent Life for children who were covered at the time of the primary member's death. A surviving spouse must elect to continue life coverage on themselves in order to continue coverage on any dependent children.

At the time of enrollment, a surviving spouse must name a beneficiary; however, a surviving spouse is always the beneficiary of any life insurance benefits for covered dependent children.

A surviving spouse is eligible to continue life insurance as long as premiums are paid. Once coverage is terminated; however, it cannot be reinstated.

Surviving dependents are eligible to continue life insurance as long as premiums are paid or until they are no longer eligible. Once coverage is terminated, it cannot be reinstated.

## Survivors of Current Employees

If the primary member was a current employee at the time of their death, the life insurance premium for their survivor is the same as the Dependent Life premium for a current employee.

The surviving spouse of a current employee pays the Dependent Life premium for a current employee until they reach age 65, or otherwise become Medicare eligible. A separate premium is charged for surviving dependents. Once a surviving spouse becomes Medicare eligible, they pay the Dependent Life

premium rate for retirees and any dependent children continue to pay the Dependent Life premium for current employees.

## Survivors of Former Employees

If the primary member was a former employee/retiree at the time of their death, the surviving spouse's life insurance premium is the same as the Dependent Life premium for former employees.

A surviving spouse pays one premium and each surviving child has a separate individual premium, just as it was prior to the primary member's death.

At the time of enrollment, the surviving spouse must name a beneficiary. The surviving spouse is always the beneficiary of any life insurance proceeds for covered dependent children.

## Reinstatement of Coverage

Your life insurance coverage can be restricted if you return to work for the same participating employer within 24 months of the termination of your previous employment. In this situation, the total life insurance coverage (including Guaranteed Issue) available to you without an approved *Life Insurance Application* cannot be greater than the total amount of coverage you had at the time you terminated your original employment. This restriction does not apply to Dependent Life. For the purpose of this provision, all state agencies are considered a single employer (the State of Oklahoma) that share the same Section 125 plan.

**Example:** *As an employee of the Department of Transportation, you terminate your employment on January 31, 2012. At that time, you had \$20,000 Basic Life and \$20,000 Supplemental Life coverage. Within 24 months, you go to work at the Department of Human Services at a salary of \$29,000. The maximum amount of coverage available, without requiring a Life Insurance Application, is \$40,000 (the amount you held at termination of your previous employment). If you go to work for another*

*participating employer at the same salary, your Guaranteed Issue is not limited by your previous coverage. You can enroll in \$20,000 Basic Life and \$60,000 Supplemental Life without requiring a Life Insurance Application. If you go to work in private industry and return to work for the State of Oklahoma or the same employer after 24 months, no restriction applies.*

# Privacy Notice

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW THIS NOTICE CAREFULLY.

OSEEGIB is a division of the Office of State Finance, a State of Oklahoma governmental agency. OSEEGIB is created and governed by Oklahoma law for the purpose of administering health, life, disability, and dental benefits to state, local government, and education employees, and other groups designated by statute, including each of the preceding group's respective retirees.

Oklahoma privacy laws and the federal Health Insurance Portability and Accountability Act (HIPAA) govern privacy matters between OSEEGIB and its participants concerning the privacy of an individual member's health information. Information contained in an OSEEGIB member's file is confidential by law and we at OSEEGIB are committed to protecting the privacy and security of members' information. This notice describes and gives you examples of how OSEEGIB will use and disclose your health information and your rights regarding this information.

OSEEGIB uses and discloses your protected health information (PHI) for payment of services to enable your medical treatment, and for OSEEGIB business operations in the administration of health plans. The health claims you submit, or health claims submitted by providers for your treatment, contain protected health information and are processed for payment and data collection by claims administrators according to contract terms with OSEEGIB. OSEEGIB and its claim administrators use and disclose your PHI for payment responsibilities that include: collecting premiums, determination of medical necessity according to certification procedures, eligibility issues, coordinating benefits with other insurers, producing Explanations of Benefits, subrogation, and claim adjudication. Contract terms with each of its claims administrators state that the claims administrator is a Business Associate as defined in OSEEGIB Rules, with obligations

to protect members' information.

Your health information is used and disclosed by OSEEGIB employees and other entities under contract with OSEEGIB according to the "minimum necessary" standard. OSEEGIB or its claims administrators may use and disclose health information for HealthChoice plan operations that include: providing customer service, resolving grievances, conducting activities to improve members health and reduce costs, case management and coordination of care, premium rate setting activities, law enforcement, public health threats, workers' compensation/disability, national security, and as permitted or required by law.

OSEEGIB provides limited member information to participating plan sponsors for enrollment purposes and premium comparison.

OSEEGIB will ask for your written permission before it uses or discloses your health information for purposes that are not described in this Notice.

You have the right to:

- a) inspect and copy your health information (generally EOBs), with the exception of psychotherapy notes and/or information that requires a court order;
- b) amend and restrict the health information that OSEEGIB discloses about you; however, OSEEGIB is not required to agree to a requested restriction;
- c) request your communications remain confidential with OSEEGIB;
- d) receive a copy of this Notice;
- e) file a complaint if you believe OSEEGIB improperly used or disclosed your information;
- f) request a listing of your protected health information disclosed by OSEEGIB except that, as a health plan, OSEEGIB is not required to account for disclosures for claims payment, OSEEGIB business operations, and disclosures you requested pursuant to your written Authorization; and,
- g) receive a paper copy of this Notice upon request, if you received this Notice electronically.

OSEEGIB reserves the right to change the terms of this Privacy Notice and will provide all interested persons a revised

Notice either by U.S. Postal Service delivered to the individual's mailing address on file with OSEEGIB, or through electronic communication by posting the revised Privacy Notice on the OSEEGIB website at [www.sib.ok.gov](http://www.sib.ok.gov) and [www.healthchoiceok.com](http://www.healthchoiceok.com)

If you believe your privacy rights have been violated, call or send a written complaint to the OSEEGIB HIPAA Information Officer at 3545 NW 58 Street, Suite 110, Oklahoma City OK, 73112, 1-405-717-8701, toll-free 1-800-543-6044, TDD 1-405-949-2281, toll-free TDD 1-866-447-0436; the Secretary of the U.S. Department of Health and Human Services (HHS) at the Office of Civil Rights, 1301 Young Street, Suite 1169, Dallas TX 75202, 1-214-767-4056, or submit an electronic complaint according to directions located on the HHS Office of Civil Rights website.

Complaints to HHS must be filed within 180 days after the date on which you became aware, or should have been aware, of the violation. No retaliation is allowed against the individual filing a complaint.

Revised 2011

# Plan Definitions

**Basic Life:** The first \$20,000 of term life insurance coverage available to you as an eligible employee.

**Current Annual Salary:** Your annual gross pay. Your current annual salary does not include overtime, longevity, benefit allowances, or retirement contributions.

**Eligible Dependent:**

- ◆ Your legal spouse (including common-law).
- ◆ Your daughter, son, stepdaughter, stepson, eligible foster child, adopted child or child legally placed with you for adoption up to age 26, whether married or unmarried.
- ◆ Your dependent, regardless of age, who is incapable of self-support due to a disability that was diagnosed prior to age 26. A *Disabled Dependent Assessment Form* must be submitted at least 30 days prior to the dependent's 26th birthday. The *Disabled Dependent Assessment Form* must be approved by OSEEGIB before coverage begins.
- ◆ Other unmarried dependent children up to age 26, upon completion of an *Application for Coverage for Other Dependent Children*. Guardianship papers or a tax return showing dependency can be provided in lieu of the application.

**Eligible Employee:** An employee of a participating employer who receives compensation for services rendered and is listed on that employer's payroll. This includes persons elected by popular vote (i.e., board members for education and elected officials of state and local government), state employees, rural water district board members, county election board secretaries, and any employee otherwise eligible who is on an approved leave without pay, not to exceed 24 months.

- ◆ Education employees must be eligible to participate in the Oklahoma Teachers' Retirement System and work a minimum of four hours per day or 20 hours per week

- ◆ Local government employees, including rural water districts, must be employed in a position requiring a minimum of 1,000 hours work per year

***Guaranteed Issue:*** Two times your current annual salary rounded up to the next \$20,000. This is available only during your initial enrollment. A *Life Insurance Application* is not required.

***Initial Enrollment:*** The 30 days following your entry on duty date or date you become eligible with a participating employer. An initial enrollment is **not** created when you transfer employment between participating employers sharing the same Section 125 Plan; e.g., state agency to state agency or school to school within the same district.

***Life Insurance Application:*** Documentation of medical fitness by an applicant.

***Option Period:*** The annual time period established by OSEEGIB when changes can be made to coverage.

***OSEEGIB:*** The Oklahoma State and Education Employees Group Insurance Board, a division of the Office of State Finance.

***Participating Employer:*** Any municipality, county, education employer, or state agency whose employees or members are eligible to participate in any plan authorized by or through the State and Education Employees Group Insurance Act.

***Plan:*** The HealthChoice Life Insurance Plan offered through OSEEGIB and described in this handbook.

***Term Life:*** A policy that provides life insurance for a limited period of time. If death occurs during this period of time, insurance benefits are paid. If death occurs after this policy expires, no insurance benefits are paid. A term policy has no cash surrender value.

# NOTES



**HealthChoice**

**Oklahoma State and Education  
Employees Group Insurance Board  
A Division of the Office of State Finance  
3545 NW 58 Street, Suite 110  
Oklahoma City, OK 73112**

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