

HealthChoice

Life Insurance Handbook



**Employees Group
Insurance Division**

*Office of Management and
Enterprise Services*

Update to Printed Version of This Handbook

The Privacy Notice on pages 24 - 30 has been updated.

Any future updates to this handbook prior to re-printing can be found at <http://go.usa.gov/8EmY>

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HEALTHCHOICE LIFE INSURANCE PLAN

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Any updates made to this handbook after printing can be found on the EGID website at www.sib.ok.gov or www.healthchoiceok.com.

Plan Identification Information and Notice

Revised January 2014

- Plan Name:** HealthChoice Life Insurance Plan
- Plan Administrator:** Office of Management and Enterprise Services
Employees Group Insurance Division
3545 NW 58th Street, Suite 110
Oklahoma City, OK 73112
1-405-717-8701 or toll-free 1-800-543-6044
- Member Services:** 1-405-717-8780 or toll-free 1-800-752-9475
TDD 1-405-949-2281
Toll-free TDD 1-866-447-0436
FAX 1-405-717-8942
Web site: www.sib.ok.gov
or www.healthchoiceok.com
- 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
TDD 1-405-416-1525
Toll-free TDD 1-800-941-2160

Notice: The Employees Group Insurance Division, a division of the Office of Management and Enterprise Services, 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, *Administrative Rules*, and *Administrative Procedures* adopted by the Plan administrator. You can obtain a copy of the official *Administrative 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 Administrative Rules or Administrative 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 EGID.

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:

Dependent Life*	Low Option	Standard Option	Premier Option
Spouse	\$ 6,000	\$ 10,000	\$ 20,000
Child live birth to 26 years	\$ 3,000	\$ 5,000	\$ 10,000
*Dependent Life does not include Accidental Death and Dismemberment (AD&D) benefits.			

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:

Loss of	With Basic Life	With Supplemental Life
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 of 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 EGID. 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 or 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 or www.healthchoiceok.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, 2014, the claim is accepted through December 31, 2015.

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 58th 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 EGID 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 who 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 EGID 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 EGID or meet every requirement of the disability program
- Your employer participates with both EGID 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 EGID 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 EGID 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 EGID 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 EGID, 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 or your dependents' life 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 EGID.
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 EGID 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 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 EGID 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, 2014. 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.*

State of Oklahoma
Office of Management and Enterprise
Services (OMES)
Privacy Notice
Revised: June 1, 2014

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.

For questions or complaints regarding privacy concerns with OMES, please contact:

OMES HIPAA Privacy Officer
3545 NW 58th, Suite 1000, Oklahoma City, OK 73112
Telephone: 1-405-717-8701, Toll-free 1-800-543-6044
TDD 1-405-949-2281, Toll-free TDD 1-866-447-0436
<http://ok.gov/OSF/>

Why is the Notice of Privacy Practices Important?

This Notice provides important information about the practices of OMES pertaining to the way OMES gathers, uses, discloses, and manages your protected health information (PHI) and it also describes how you can access this information. PHI is health information that can be linked to a particular person by certain identifiers including, but not limited to names, social security numbers, addresses and birth dates.

Oklahoma privacy laws and the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) protect the privacy of an individual's health information. For HIPAA purposes, OMES has designated itself as a hybrid entity. This means that HIPAA only applies to areas of OMES operations involving health care, and not to all lines of service offered by OMES. This notice applies to the privacy practices of the following components included within OMES that may share or access your Protected Health Information as needed for treatment, payment and health care operations:

- The Employee Benefits Division (EBD) and the Employees Group Insurance Division (EGID) within Human Capital

Management;

- The Performance and Efficiency Division as it applies to operations of the Employees Group Insurance Division;
- The Section 125 plan within the Division of Central Accounting and Reporting (DCAR);
- The Legal Division; and
- The Information Services Division (ISD) as it applies to maintenance and storage of PHI.

OMES is committed to protecting the privacy and security of your PHI as used within the components listed above.

Your Information. Your Rights. Our Responsibilities.

Your Rights

When it comes to your health information, you have certain rights.

This section explains your rights and some of our responsibilities to help you.

Get a copy of your health and claims records

- You can ask to see or get a copy of your health and claims records and other health information we have about you. Ask us how to do this using the contact information above.
- We will provide a copy or a summary of your health and claims records, usually within 30 days of your request. We may charge a reasonable fee.

Ask us to correct health and claims records

- You can ask us to correct your health and claims records if you think they are incorrect or incomplete. Ask us how to do this.
- We may say “no” to your request, but we will tell you why in writing within 60 days.

Request confidential communications

- You can ask us to contact you in a specific way (for example, home or office phone) or to send mail to a different address.
- We will consider all reasonable requests.

Ask us to limit what we use or share

- You can ask us not to use or share certain health information for treatment, payment, or our operations.
- We are not required to agree to your request.

Get a list of those with whom we've shared information

- You can ask for an accounting of the times we've shared your health information for six years prior to the date you ask, who we shared it with, and why.
- We will include all the disclosures except for those about treatment, payment, and health care operations, and certain other disclosures (such as any you asked us to make). We will provide one accounting a year free of charge but will charge a reasonable fee if you ask for another accounting within 12 months.

Get a copy of this privacy notice

You can ask for a paper copy of this notice at any time, even if you have agreed to receive the notice electronically. We will provide you with a paper copy promptly.

Choose someone to act for you

- If you have given someone medical power of attorney or if someone is your legal guardian, that person can exercise your rights and make choices about your health information.
- We will verify the person has this authority and can act for you before we take any action.

File a complaint if you feel your rights are violated

- You can complain if you feel we have violated your rights by contacting us using the information on page 1.
- You may also file a complaint with the U.S. Department of Health and Human Services Office for Civil Rights by sending a letter to 200 Independence Avenue, S.W., Washington, D.C. 20201, calling 1-877-696-6775, or visiting www.hhs.gov/ocr/privacy/hipaa/complaints/. Complaints to HHS must be filed within 180 days of when you knew that the violation occurred.
- We will not retaliate against you for filing a complaint.

Your Choices

For certain health information, you can tell us your choices about what we share. If you have a clear preference for how we share your information in the situations described below, talk to us. Tell us what you want us to do, and we will follow your instructions.

In these cases, you have both the right and choice to tell us to:

- Share information with your family, close friends, or others involved in payment for your care.
- Share information in a disaster relief situation.

If you are not able to tell us your preference, for example if you are unconscious, we may go ahead and share your information if we believe it is in your best interest. We may also share your information when needed to lessen a serious and imminent health or safety threat.

OMES does not share your information for purposes of marketing or by sale of your information.

Our Uses and Disclosures

How do we typically use or share your health information (PHI)?

Your PHI is used and disclosed by OMES employees and other entities under contract with OMES according to HIPAA Privacy Rules using the “minimum necessary” standard which releases only the minimum necessary health information to achieve the intended purpose or to carry out a desired function within OMES.

We typically use or share your health information in the following ways:

Help manage the health care treatment you receive

We can use your health information and share it with professionals who are treating you.

Example: A doctor sends us information about your diagnosis and treatment plan so we can arrange additional services.

Run our organization

- We can use and disclose your information to run our organization and contact you when necessary.
- We are not allowed to use genetic information to decide whether we will give you coverage and the price of that coverage. This does not apply to long term care plans.

Examples: We use health information about you to develop better services for you, provide customer service, resolve member grievances, member advocacy, conduct activities to improve members' health and reduce costs, assist in the coordination and continuity of health care,

and to set premium rates.

Pay for your health services

We can use and disclose your health information as we pay for your eligible health services.

Example: We share information about you with your dental plan to coordinate payment for your dental work.

Administer your plan

We may disclose summarized health information to your health plan sponsor for plan administration.

Example: Your employer contracts with us to provide a health plan, and we provide the employer with certain statistics to explain the premiums we charge.

How else can we use or share your health information?

We are allowed or required to share your information in other ways – usually in ways that contribute to the public good, such as public health and research. We have to meet many conditions in the law before we can share your information for these purposes. For more information see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/index.html.

Help with public health and safety issues

We can share health information about you for certain situations such as:

- Preventing disease;
- Helping with product recalls;
- Reporting adverse reactions to medications;
- Reporting births and deaths;
- Reporting suspected abuse, neglect, or domestic violence;
- Preventing or reducing a serious threat to anyone's health or safety; or
- Public health investigations.

Do research

We can use or share your information for health research, as permitted by law.

Comply with the law

We will share information about you if state or federal laws require

it, including with the Department of Health and Human Services if it wants to see that we are complying with federal privacy laws.

Work with a medical examiner or funeral director

- We can share health information with a coroner, medical examiner, or funeral director when an individual dies.

Address workers' compensation, law enforcement, and other government requests

We can use or share health information about you:

- For workers' compensation claims;
- For law enforcement purposes or with a law enforcement official;
- With health oversight agencies for activities authorized by law; or
- For special government functions such as military, national security, and presidential protective services.

Respond to lawsuits and legal actions

We can share health information about you in response to a court or administrative order, or in response to a subpoena.

Our Responsibilities

- We are required by law to maintain the privacy and security of your protected health information (PHI).
- We will let you know promptly if a breach occurs that may have compromised the privacy or security of your PHI.
- We must follow the duties and privacy practices described in this notice and give you a copy of it.
- We will not use or share your PHI other than as described here unless you tell us we can in writing. If you tell us we can, you may change your mind at any time. Let us know in writing if you change your mind.

For more information, see: www.hhs.gov/ocr/privacy/hipaa/understanding/consumers/noticepp.html.

Changes to the Terms of this Notice

We can change the terms of this notice, and the changes will apply to all information we have about you. The new notice will be available upon request, on our web site, and we will deliver a copy to you.

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.

EGID: Employees Group Insurance Division of the Office of Management and Enterprise Services.

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 EGID 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 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 EGID when changes can be made to coverage.

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 EGID 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.

