



Life Insurance

What Options Are Available?

Ask the NSSC Event
NSSC Retirement Services Team
September 1, 2016

Why Do I Need Life Insurance?

- Don't put your family's goals at risk!
 - Making up for your lost income
 - Funding a child's education
 - Paying off a mortgage or household debt
 - Maintaining quality of life and standard of living
 - Caring for elderly parents or disabled children
 - Paying for your funeral and other related expenses
 - Paying for estate taxes instead of having to sell inherited assets
- Allows for your family to live the life you want them to live, even if you can't be there

How Much Life Insurance Do I Need?

- This depends on your:
 - Goals
 - Life Situation
 - Finances
 - Assets
- Always be mindful to ensure your financial plans keep step with your life

What is a Term Policy?

- Term Policy
 - Expires after a set period of time, but typically allows for renewal upon expiration, up to a specified age
 - Tends to be cheaper initially and premiums increase with age
 - Ideal for income needs that the insured expects will end after a set period of time e.g., mortgage, higher education costs, etc.
- Riders
 - Return of Premiums (ROP) option that allows the insured to get all their premiums back if they out live the term of the policy
 - Renewable option allows the insured to renew term policy without proving good health
 - Convertible option allows the insured to convert their term policy to a permanent policy with the same death benefit

What is a Permanent Policy?

- Whole Life Insurance
 - Never expires
 - Premiums remain the same and are spread over your life span, so premiums tend to be more expensive initially compared to a term policy
 - Death benefit remains constant throughout the insured's life
 - Builds cash value
- Universal Life Insurance
 - Allows the insured to adjust coverage
 - Tends to have higher management fees
 - Allows the insured to choose a level death payment or a variable death payment

What is a Permanent Policy?

- Riders
 - Waiver of premium
 - Additional insured
 - Guaranteed insurability
 - Accelerated benefits

What are Alternatives to Purchasing Life Insurance?

- Investing or Accumulating Savings
 - Your investments and savings may be enough
- Mortgage Protection Insurance
 - Pays off your mortgage in the event you die during the term of your mortgage
- Loan Insurance
 - Many credit card companies and financial institutions are now offering coverage to pay off your outstanding balances in the event of your death

What are the Top 10 Mistakes to Avoid?

1. Waiting too long to purchase a policy
2. Buying too short of a term policy
3. Not reviewing life insurance coverage throughout your life
4. Buying life insurance only for yourself
5. Undervaluing the stay at home parent
6. Choosing the wrong type of policy
7. Underestimating your insurance needs
8. Focusing on cost
9. Keeping your life insurance policy a secret
10. Failing to name primary and contingent beneficiaries

What Questions Should I be Asking Myself?

- Am I the primary source of income for my household?
- Who depends on my income and what would they do if I die?
- What am I trying to achieve?
- Am I willing to take a medical exam?
- How much coverage do I need?

What Life Insurance is Available through NASA?

- Federal Employees' Group Life Insurance (FEGLI)
 - Basic = Current salary + \$2,000 and rounded up to the nearest thousand
 - Option A = \$10,000
 - Option B = Your current salary rounded up to the nearest thousand
 - » Can have up to 5 multiples
 - Option C = Family coverage
 - » Can have up to 5 multiples
 - » \$5,000 per multiple for a current spouse
 - » \$2,500 per multiple for an eligible child

What Life Insurance is Available through NASA?

- NASA Employee Benefits Association (NEBA)
 - **Basic** life insurance coverage based on 1x your salary up to \$100,000
 - » New option starting 1/1/2017 – Allows you to elect basic life insurance coverage based on 1x your annual salary up to \$500,000
 - **Optional (GVUL)** life insurance coverage for you of up to 8 times your salary at competitive group rates
 - Family coverage available
 - Accidental Death & Dismemberment (AD&D) coverage at twice basic coverage amount
 - Supplemental Voluntary AD&D up to \$500,000

What Other Benefits does NEBA Offer?

- If enrolled in basic coverage, you automatically receive additional benefits:
 - Will preparation services
 - Financial planning advice for families with special needs dependents
 - Estate resolution services for legal assistance for beneficiaries to resolve an estate
 - Travel assistance with identity theft features
- Additional options are available for purchase, which do not require you to enroll in basic life insurance through NEBA:
 - MetLaw
 - Critical Illness Insurance
 - Group Accident Insurance
 - Home and Auto Insurance

Does FEGLI Have an Open Season?

- A rare Open Season for Federal employees to increase FEGLI coverage is scheduled for **September 1 through September 30, 2016.**
 - During the month of September, eligible employees may elect any coverage offered by FEGLI including Option C on the lives of their family members
 - Coverage will be effective the first day of the first pay period in a pay and duty status on or after 10/01/2017
 - You do not need to be currently enrolled in FEGLI to elect coverage during the Open Season. Open Season elections have no medical exam required and no health questions to answer
 - New premiums will be effective when the new coverage is effective. New premiums will not be paid during the 12 month waiting period
 - Elections to add or increase coverage should be made using Employee Express
 - New elections must be in place for five years in order to continue in retirement

Does NEBA Have an Open Season?

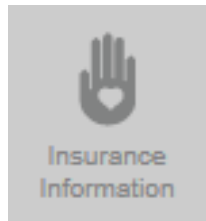
- Upcoming Open Enrollment will occur October 3 – December 16
 - Coverage will become effective in January 2017
 - Basic Insurance (available to all NASA employees)
 - » Limited underwriting
 - » 10% decrease in premiums in 2017
 - Optional (GVUL)
 - » Limited underwriting
 - » Must already be enrolled in Basic to elect or increase this coverage
 - » Approximately 3% to 5% decrease in premiums for optional coverage in 2017
 - Existing members can visit www.mybenefits.metlife.com to make changes
 - New members will be required to “opt-in” prior to registration

How Do I Find out my Current Life Insurance Coverage through NASA?

- Go to the HR Portal (<https://hr.nasa.gov>) from a NASA computer
- Click on “About Me” in the upper right hand corner
- To view your life insurance through NEBA select “NEBA Insurance”



- To view your life insurance through FEGLI select “Insurance Information”



What Other Resources Are Available?

- Calculator to Help Determine How Much Life Insurance You Need
 - <https://www.metlife.com/soc/life-insurance/index.html>
- Calculator to Help Determine How Much FEGLI Will Cost
 - <https://www.opm.gov/retirement-services/calculators/fegli-calculator/>
- FEGLI Employee Resource Center
 - <https://www.metlife.com/FEGLI/index.html>
- View your current coverage in the HR Portal
 - <https://hr.nasa.gov>
- Make changes to your NEBA coverage
 - <https://mybenefits.metlife.com>

Questions

- During this Event
 - Use the chat function
 - Email nssc-retirements@mail.nasa.gov
- After this Event
 - Call 1-877-677-2123
 - Email nssc-contactcenter@nasa.gov

Join Us At The Next Virtual “Ask the NSSC” Event

- Is Making a Military Service Deposit the Right Decision For Me?
 - October 6, 2016
 - 1pm-2pm CT
 - Open to veterans who are covered by CSRS