



Lincoln Financial

Duke University and Health System

Life Insurance at Various Stages of Your Life and Career

September 11, 2023

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Agenda

Why Do I Need Life Insurance ?

Life Coverage Available Through Duke's Group Life Plan

How Do I Enroll, Update Coverage, and Beneficiaries

What Happens When I Leave Duke or Retire from Duke

Coverages To Consider Outside of Duke's Plan

- Individual Term Life Coverage
- Permanent Life Coverage

Questions and Answers

How Much Life Insurance Do I Need During Various Stages of My Life and Career?

- What would happen to your family if you were no longer there to provide for them?
- Do you have enough life insurance for them to keep their home, pay all the monthly bills, and afford college for your children and other future expenses?
- With Supplemental Life Insurance you can replace the worrying about your family's financial security.
- Supplemental Life Insurance allows you to create a “safety net” for your family and help provide the resources for them to carry on.

Life Insurance Needs Calculator

<https://www.lincolnfinancial.com/public/individuals>

The screenshot shows the Lincoln Financial website interface. At the top, there are navigation links for 'INDIVIDUALS EMPLOYERS PROFESSIONALS', 'CAREERS', 'REGISTER', and 'LOGIN'. A search bar is also present. The main banner features the text 'See where our solutions can take you' and 'This is financial security' with a background image of a man. Below the banner is a row of service icons: 'Register', 'Find a financial professional', 'Find a form', 'Find a dentist', and 'File a claim'. A red arrow points from the 'Find a financial professional' icon to a navigation menu on the right. This menu shows the path: 'Home > Planning > Calculators and tools'. Under 'Calculators and tools', there are several categories: 'Financial wellness', 'Insurance', 'IRS-qualified plans', and 'Retirement'. The 'Insurance' category is expanded to show two options: 'Life insurance calculator' and 'Life insurance needs calculator'. The 'Life insurance needs calculator' option is highlighted with a red box. Below the navigation menu, there are three content blocks: 'Tools and calculators', 'About Lincoln Financial', and 'Privacy'. The 'Tools and calculators' block includes the text 'Our resources are here to help you make confident decisions for your future!' and 'Make financial planning easier®'. The 'About Lincoln Financial' block states 'For more than a century, Lincoln Financial has helped millions of people plan, protect and retire. Learn about our values and goals®'. The 'Privacy' block states 'We are committed to keeping your information confidential and secure, and in compliance with state and federal laws. How Lincoln handles your data®'.



Life Insurance Needs Calculator

How much life insurance do I need?

A secure future starts with a solid plan. And you can create a foundation for that plan by establishing ways to meet your loved ones' financial needs after you're gone.

Use this calculator to determine how much coverage your family may need to help them stay financially secure. Input your personal information and approximate final expenses.

AGE, INCOME AND ASSUMPTIONS

Current annual income <i>rø</i>	<input type="text" value="90,000"/>
Spouse's annual income (if applicable) <i>rø</i>	<input type="text" value="75,000"/>
Spouse's current age (if applicable) (<i>0 to 100</i>)	<input type="text" value="45"/>
Spouse's desired retirement age (if applicable) (<i>0 to 100</i>)	<input type="text" value="55"/>
Investment return (<i>-12% to 12%</i>)	<input type="text" value="5%"/>
Anticipated inflation rate <i>rø% to 10%</i>	<input type="text" value="2%"/> IBI

IMMEDIATE CASH NEEDS

Funeral expenses <i>rø</i>	<input type="text" value="15,000"/>
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Results

EXPLANATION OF RESULTS

In order to cover your immediate needs of \$245,000 and your long-term income needs of \$2,707,798 you should consider purchasing an additional \$1,198,000 of life insurance.

SUMMARY TABLE

NEEDS	
immediate needs	\$245,000
Long-term needs	\$2,707,798
Total needs	\$2,952,798
RESOURCES	
Investment assets	\$350,000
Existing life insurance	\$250,000
Spouse's earnings	\$1,154,900
Total resources	\$1,754,900
Shortfall	\$-1,197,897
Additional life insurance needed	\$1,198,000

GRAPH



Life Coverage Available Through Duke's Group Life Plan

Eligibility - You are eligible to enroll in coverage if you are an active, regular employee scheduled to work at least 20 hours per week or a regular rank faculty member who is receiving wages for Social Security purposes.

Employee Coverage

- **Employee Basic Term Life and AD&D: Coverage is equal to \$10,000.**
 - ^ Coverage is employer-paid.
- **Employee Supplemental Term Life:**
 - ^ Coverage is equal to 1, 2, 3, 4, 5, 6, 7 or 8 times base annual salary rounded up to the next \$10,000.* This amount may not exceed \$2,500,000.
 - ^ The monthly rate is based on amount selected, your age, and tobacco usage.

*Rounding to the next \$10,000 will occur for active, retired, and terminated employees.

Life Coverage Available Through Duke's Group Life Plan

Supplemental Dependent Spouse Coverage

- Increments of \$10,000 to a maximum \$100,000.
- The monthly rate is based on amount selected, spouse's age, and tobacco usage.

Supplemental Dependent Child Life

- Supplemental child coverage is equal to \$10,000 per child if at least 14 days old but under 26 years.
- The cost for dependent child(ren) coverage is \$1.00 per month regardless of whether you have one child or multiple children.

Sample Premium Calculation

Sample for a 46 year non-smoker with an annual salary of \$74,000, electing two times earnings:

$$\$74,000 \times 2 = \$148,800$$

$$\text{Round up to the next } \$10,000 = \$150,000$$

$$\text{Rate per } \$10,000 = \$150,000 / \$10,000 = \$15$$

$$\text{Monthly premium} = \$15 \times \$0.615 = \$9.23$$

$$\text{Monthly premium} = \$9.23$$

Supplemental Employee and Spouse Rates Rate per \$10,000		
Age Bands	Active Non-Smoker	Active Smoker
<30	\$0.182	\$0.208
30-34	\$0.242	\$0.270
35-39	\$0.303	\$0.339
40-44	\$0.398	\$0.447
45-49	\$0.615	\$0.686
50-54	\$0.918	\$1.033
55-59	\$1.585	\$1.782
60-64	\$2.581	\$2.900
65-69	\$6.798	\$7.651
70-74	\$12.384	\$13.914
75-79	\$20.135	\$22.637
80-84	\$31.289	\$35.178
85-89	\$47.422	\$53.100
90-94	\$69.254	\$77.867

hr.duke.edu/supplementalrates



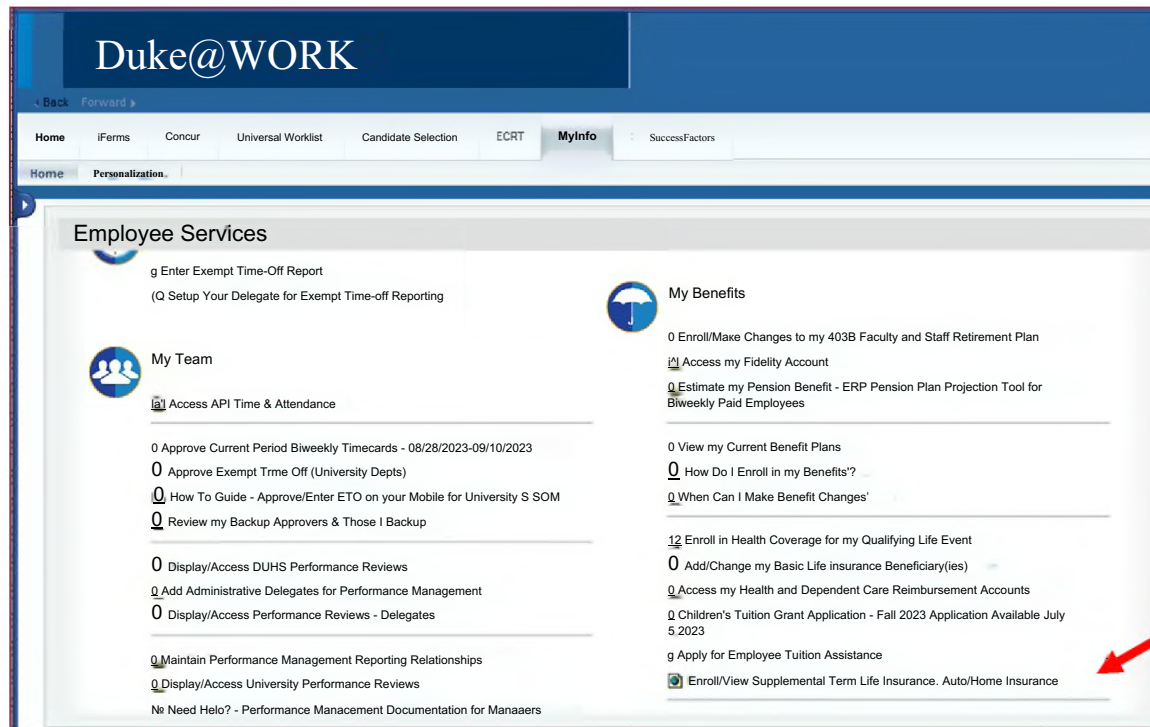
Evidence of Insurability Requirements

If you...	Evidence of Insurability Requirements
are a new hire and enrolling for 1 or 2 times your annual pay (to a maximum of \$500,000)	Medical evidence of insurability is not required
are a new hire and enrolling for 1 or 2 times your annual pay and your annual pay exceeds \$500,000	You will be limited to \$500,000 unless you submit Evidence of Insurability and it is approved
are a new hire and enrolling for \$10,000 of spouse life	You are not required to meet any medical requirements
are a new hire and enrolling for any coverage above those amounts	You will be required to complete Evidence of Insurability for approval
enroll outside of the initial enrollment period or a qualified family status change (other than adding a new spouse or a child)	you will be required to submit Evidence of Insurability for approval

^ Elections requiring Evidence of Insurability need to be approved by LFG before coverage begins.

Electing Supplemental Life: Choosing Coverage

- To enroll in or view your Supplemental Life Insurance coverage, go to the MyInfo tab in Duke@Work, click on the Enroll/View Supplemental Term Life Insurance, Auto/Home Insurance tab under My Benefits.



- Note, if you have any issues with the Duke@Work link, you can also go to <https://www.dukevoluntarybenefits.com/>

Electing Supplemental Life: Choosing Coverage

- You can go to <https://hr.duke.edu/benefits/finance/life-insurance/supplemental> where hyperlinks provide access to the Mercer Voluntary Benefits website and the enrollment form if you want to download, print, and mail it to Mercer, along with the Evidence of Insurability form.

The screenshot shows the Duke Human Resources website. The header includes the Duke logo, 'Human Resources', a search bar, and navigation links for 'DUKE@WORK' and 'About HR Forms'. A breadcrumb trail reads: 'Careers » Benefits » Health & Wellness » Compensation » Professional Development » Policies » Managers »'. The main heading is 'Supplemental Life Insurance'. A left sidebar lists various benefit categories, with 'Financial Security Benefits' expanded to show 'Financial Fitness Week' and 'Plan Comparison'. The main content area features a breadcrumb trail: '» Benefits » Financial Security Benefits » Life Insurance » Supplemental Life Insurance'. The text describes the Supplemental Life Insurance Plan as a voluntary, employee-paid group term life insurance plan. It states: 'The Supplemental Life Insurance Plan is a voluntary, employee-paid group term life insurance plan in which you can choose to participate to supplement your employer provided life insurance. You may select coverage for yourself, your legal spouse, and your dependent children.' Below this, it says: 'For more information, please see the Summary Plan Description.' The 'Eligibility' section states: 'All employees who are actively at work and regularly scheduled to work at least 20 hours per week are eligible to apply for coverage. You can enroll your legal spouse as well as your children. There are a few routine restrictions. Visit the Mercer Voluntary Benefits web site or complete details.' A red arrow points to the underlined text 'You can enroll your legal spouse as well as your children'.

Electing Supplemental Life: Choosing Coverage

- To enroll in Supplemental Life Insurance, click on the “Supplemental Term Life Insurance” tab at the top of the page....

Please note: Once you log out of this website, in order to log back in, you will first need to log into Duke@Work which will then take you back to the Mercer Voluntary Benefits website.

[LOG OUT](#) [MY ACCOUNT](#)

Duke Flex Benefits Home Auto Insurance Home & Renters Insurance Supplemental Term Life Insurance Contact Us About Us Q,

WELCOME DUKE FACULTY AND STAFF!

You are eligible to participate in a comprehensive, money-saving benefits program specially designed to protect the financial security of you and your family. These coverage options are provided in addition to your core benefits.

Need Help Finding More About Products Offered To You?
Select one of the products below to learn more.

The screenshot shows a website header with a dark blue background. On the left, there is a 'LOG OUT' button. On the right, there is a 'MY ACCOUNT' button with a red arrow pointing to it. Below the header, the main navigation menu includes 'Home Auto Insurance', 'Home & Renters Insurance', 'Supplemental Term Life Insurance', 'Contact Us', and 'About Us Q,'. The 'Supplemental Term Life Insurance' link is highlighted with a red box. Below the navigation is a large banner image of a man and a woman riding bicycles in a field. On the left side of the banner, there is a white text box with a welcome message. At the bottom of the banner, there is a call to action text.

Electing Supplemental Life: Choosing Coverage

...then scroll down and click the “Get A Quote” Or “Enroll Now” link on the right side of the page. Follow the instructions to start your quote.

Please note: Once you log out of this website, in order to log back in, you will first need to log into DukegWork which will then take you back to the Mercer Voluntary Benefits website. MY ACCOUNT LOG OUT

Duke Flex Benefits

Home Auto Insurance Home & Renters Insurance Supplemental Term Life Insurance Contact Us About Us Q,

OVERVIEW

What would happen to your family if you were no longer there to provide for them? Do you have enough life insurance for them to keep their home, pay all the monthly bills, and afford college for your children and other future expenses?

With Supplemental Life Insurance you can replace the worrying about your family's financial security. Supplemental Life Insurance allows you to create a "safety net" for your family and help provide the resources for them to carry on. Features of Supplemental Life Insurance include:

- **Easy enrollment** Apply within 30 days of your eligibility date.
- **Cost and convenience.** Since you are applying for coverage through your employer's benefit program, you have access to affordable group rates. The rates may be lower than what you could find for an individual policy. Along with affordable rates, you have the convenience of payroll deduction. Payments are automatically taken from your paycheck on a post-tax basis.
- **Guaranteed benefit opportunities available.** You can enroll in coverage from 1 to 2 times your annual pay to a maximum of \$500,000. If you participate in this program, you can enroll your spouse' in the amount of \$10,000 and your children in the amount of \$10,000 for each eligible child. You must meet eligibility requirements to qualify.
- **Generous coverage amounts available** You can enroll in coverage from 1 to 8 times your annual pay to a maximum of \$2,500,000. If you elect coverage for yourself, you can enroll your spouse' in any amount between \$10,000 and \$100,000 (in \$10,000 increments), and \$10,000 for each eligible child. You will be required to submit Evidence of insurability.

Enroll Now

To get a quote or enroll in Supplemental Life Insurance, click on the button below.

For new coverage, create an account using your Duke Unique ID#* and date of birth. Follow prompts to get a quote or enroll.

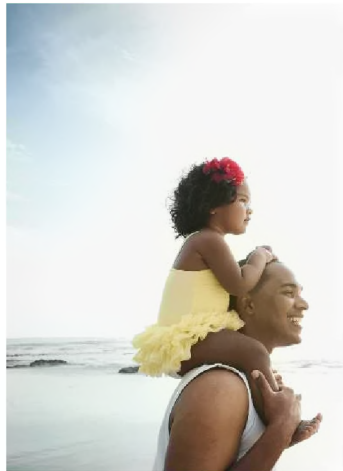
To increase current coverage, log in to your account using your Duke Unique ID#* and date of birth. The system will reflect your current coverage amount and you will elect the new coverage amount desired.

*Note: You must use 7 digits for the Duke Unique ID# field. If your Duke Unique ID# is less than 7 digits, add leading zeros for a 7 digit number. Example: If your Duke Unique ID# is 1234, enter as 0001234.

GET A QUOTE OR ENROLL NOW

Electing Supplemental Life: Naming Beneficiaries

- Use the link to access the **Supplemental Life Insurance Beneficiary Designation Form** that can be printed and mailed to Mercer if you want to add or update beneficiaries; however, you are also able to view/change/update any existing beneficiaries on the Mercer site.
- Additionally, use the following link to update your **Basic Life and AD&D** beneficiary <https://hr.duke.edu/forms/benefits/your-beneficiary-designations>
- **Important Reminder** - Please ensure your beneficiary designations for both basic life coverage and supplemental life coverage are current.



Group Life Coverage When Leaving or Retiring from Duke

- When you leave or retire from Duke, you can continue your coverage without interruption as long as the group policy is in effect, subject to the policy's terms and conditions.
- Although payroll deduction will no longer be available if you retire or leave Duke, you can opt for other payment methods such as direct checking or bank account deduction, credit card billing or home billing.
- You will be billed directly for your cost of coverage at portable rates. Portable rates may be higher.



Coverage To Consider Outside of Duke's Plan

Individual Term Life

- Similar to group coverage, individual term can be purchased for a certain length of time (generally, 10, 15, 20, 25, or 30 years.)
- Similar to group insurance, an individual term policy is generally purchased to satisfy a short-term need to cover lost income or expenses (i.e., mortgage, other debts, education expenses, etc.)
- Term insurance premiums are significantly more affordable than permanent life insurance policy. Term products have *no* cash value.

Coverage To Consider Outside of Duke's Plan

Permanent Life

- If designed properly, permanent life policies provide lifelong insurance protection.
- Permanent products are purchased to pay for end-of-life expenses or to provide a legacy for your spouse, family, or a charitable organization.
- Many different types of permanent products, from fixed to variable, are available.
- Diverse types of fixed policies range from whole life to universal life to indexed universal life. These policies provide you with a dividend or fixed interest rate on your premiums.
- Variable life insurance policies provide you with the ability to choose investment vehicles to invest premiums.
- Unlike term insurance, permanent products can be designed to provide cash value. Cash value allows you to take loans or surrender the policy at a future date and receive potential value.

- **Duke Supplemental Life Questions**
1-800-552-9670
<https://dukevoluntarybenefits.com>
- **Lincoln Financial - Other Life Questions**
<https://www.lincolnfinancial.com>
Evidence of Insurability -1-800-423-2765, option 1
- **For Any Other Benefits Related Questions**
919-684-5600
hr@duke.edu



Questions and Answers

Thank You