Life and AD&D Insurance Plan Overview

FOR WASHINGTON-BASED STAFF - Effective January 1, 2015
Building a secure future

This document describes the plan as of January 1, 2015, for Washington-based staff in the Staff Retirement Net Plan (SRP).

The World Bank Group (WBG) is committed to providing benefits that respond to staff needs and are aligned with best practices.

As part of its benefits program, the WBG offers Life Insurance and Accidental Death and Dismemberment (AD&D) coverage to Washington-based staff and their eligible dependents. These benefits help protect the financial security of your beneficiaries by offering coverage that:

- Gives you greater flexibility with the levels of coverage available;
- Can be purchased without having to provide evidence of good health; and
- Is typically less expensive than what you could purchase privately.

It is important that you review your overall life insurance needs, including optional life insurance, to determine what works best for your personal situation.

For more information on how to change your Optional Life Insurance and AD&D elections, and to confirm beneficiaries go to http://life.worldbank.org.
Plan Overview – Basic Coverage

The WBG provides and pays 100% of basic term life insurance for Washington-based staff (Open, Term, Regular Staff, Executive Directors, ED Alternates, ED Advisors, and Senior Advisors) equal to one times your annual net salary. The WBG also provides survivor benefits through the Staff Retirement Net Plan (SRP) equal to two times net annual salary.

Eligible staff are automatically enrolled in basic coverage on their first day of employment.

Staff Retirement Plan (SRP) -paid Survivor Benefits

WBG-Paid Basic Life Insurance

2 X Annual Net Salary

1 X Annual Net Salary

SRP-paid survivor benefits allow your surviving spouse/registered domestic partner the option to receive a portion of the benefit in the form of a lifetime annuity.
Plan Overview – Basic Coverage

<table>
<thead>
<tr>
<th>Term Insurance</th>
<th>Whole Life Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Insurance that pays a benefit in the event of the death of the insured during a specified term. There is no cash value at the end of the policy.</td>
<td>Life Insurance that pays a benefit on the death of the insured and also accumulates a cash value.</td>
</tr>
</tbody>
</table>

Fast Facts on WBG Group Term Life Insurance

The WBG Group Term Life Insurance Program is a term policy, and therefore has no cash or annuity value.

You are covered by this policy while you are in active service with the WBG, and coverage stops when you separate from the WBG.

If you separate from the WBG, you have the option to keep life insurance coverage similar to what the WBG provides (and assume full payments). See Portability (page 9) for details.

Many staff choose to supplement their WBG-paid Life Insurance benefits with WBG Optional Life Insurance or with policies that are readily available in the U.S. insurance market. You can shop for alternatives via web-based insurance search engines such as Quotesmith.com.
Optional Staff Coverage

Washington-based staff (Regular, Open, Term appointments, as well as Executive Directors, ED Alternates, ED Advisors, and Senior Advisors) are eligible to purchase Optional Term Life Insurance of up to five times annual net salary for themselves. This is optional coverage, and staff pay 100% of the premium for the additional insurance (which increases with age and salary). The cost of the optional life insurance is deducted each pay period.

- For information on the one-time automatic enrollment in optional life insurance coverage, go to the Life Insurance and AD&D Plan Summary Brochure found on http://life.worldbank.org
- You may notify HR Operations and elect to increase coverage by one times your annual net salary (up to the maximum optional coverage of five times your annual net salary) within 60 days of a life event (birth, death of a dependent, divorce, marriage, establishment/dissolution of a domestic partnership).
- If you choose to reduce your Optional Life Insurance coverage, and then decide to increase it outside of the 60-day window or by more than one times net annual salary, you will need to go through the late enrollment process. This will require you to provide evidence of your good health to the insurer. The WBG cannot intervene in late enrollment decisions by the insurer.
- If you prefer not to enroll in Optional Life Insurance, you can go to the http://myHR and choose to opt out or reduce the level of coverage.

What is evidence of good health?
A statement or proof of your physical condition that determines whether your application for life insurance is accepted or denied. This generally requires a physical exam conducted by a medical professional approved by the insurance company.

NEW HIRES
You can elect coverage within 60 days of your entry-on-duty date without having to provide evidence of good health.

New hires are not automatically enrolled.
Optional Staff Coverage

The chart below illustrates the premium costs for different levels of coverage. As rates are subject to change, go to http://life.worldbank.org for the most up-to-date information.

<table>
<thead>
<tr>
<th>Age</th>
<th>Per paycheck rate per $1,000 of coverage</th>
<th>Premium cost per paycheck example based on net salary of $100,000 net per year (multiply by 24 to get an annual premium cost)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>One times net annual salary</td>
</tr>
<tr>
<td>&lt; 25</td>
<td>.0065</td>
<td>$ 0.65</td>
</tr>
<tr>
<td>25-29</td>
<td>.0065</td>
<td>$ 0.65</td>
</tr>
<tr>
<td>30-34</td>
<td>.0095</td>
<td>$ 0.95</td>
</tr>
<tr>
<td>35-39</td>
<td>.012</td>
<td>$ 1.20</td>
</tr>
<tr>
<td>40-44</td>
<td>.021</td>
<td>$ 2.10</td>
</tr>
<tr>
<td>45-49</td>
<td>.035</td>
<td>$ 3.50</td>
</tr>
<tr>
<td>50-54</td>
<td>.0615</td>
<td>$ 6.15</td>
</tr>
<tr>
<td>55-59</td>
<td>.1005</td>
<td>$ 10.05</td>
</tr>
<tr>
<td>60-64</td>
<td>.1445</td>
<td>$ 14.45</td>
</tr>
<tr>
<td>65-67</td>
<td>.187</td>
<td>$ 18.70</td>
</tr>
</tbody>
</table>

Why did my life insurance monthly payroll deduction increase?

A number of factors may contribute to an increase in your premium:

- Your age – premium costs increase every five years.
- You increased the level of coverage – due to a life event or by successfully undergoing late enrollment to increase your coverage.
- Your salary increased – since insurance coverage is a multiple of your salary, if your salary increased you will pay a higher contribution towards the insurance premium.
Optional Dependent Coverage

Washington-based staff (Regular, Open, Term appointments, as well as Executive Directors, ED Alternates, ED Advisors, and Senior Advisors) may purchase Optional Dependent Group Life Insurance to cover a spouse/registered domestic partner and eligible dependent children (children over 14 days old and under the age of 25). Coverage is optional and you pay 100% of the premium for the additional insurance. Two coverage levels are available:

<table>
<thead>
<tr>
<th>Coverage level</th>
<th>Coverage for spouse/domestic partner</th>
<th>Coverage for each eligible child</th>
<th>Premium (per paycheck) regardless of number/type of covered dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>$20,000</td>
<td>$8,000</td>
<td>$1.65</td>
</tr>
<tr>
<td>High</td>
<td>$50,000</td>
<td>$10,000</td>
<td>$4.12</td>
</tr>
</tbody>
</table>

As rates are subject to change, go to [http://life.worldbank.org](http://life.worldbank.org) for the most up-to-date information.

Your dependents can receive this coverage without having to provide evidence of good health if:

- You elect the coverage within 60 days of acquiring a new dependent (marriage/establishment of domestic partnership if no dependent children, birth/adoption of first child if not married and without a domestic partner).
- NEW HIRES: You elect the coverage within 60 days of your entry-on-duty date.

**IMPORTANT!**

If you want to enroll in or increase your Optional Dependent Coverage outside of the 60-day window from either: (i) your entry-on-duty date or (ii) adding a new dependent, you or your dependents will have to provide evidence of their good health to the insurer.

The WBG cannot intervene in late enrollment decisions by the insurer.
Designate your beneficiaries

It is important to keep your beneficiaries up-to-date. You need to designate beneficiaries for your life insurance benefits, separate from those you designate for the Staff Retirement Plan. Here are some tips for updating your beneficiaries’ information on http://life.worldbank.org.

• If your beneficiary is not related to you by blood or marriage, “business associate,” “partner,” or another economic relationship should be included; otherwise, insert “non-relative.” Be sure to include the current home address of the beneficiary.

• Your minor children (under 18 years old) cannot receive life insurance proceeds. Consider creating a legal trust as your beneficiary, which can fund your children’s livelihood, or distribute insurance proceeds via a will.

• If you want to pay off loans using your life insurance proceeds, you cannot do so by listing a bank or lender as your beneficiary. Instead, you should either create a trust as your beneficiary with instructions to pay off your debts, or name your estate as beneficiary and create a will to divide your assets.

• Make sure you specify your wishes in the event that your primary beneficiary pre-deceases or co-deceases you.

• If you have a charity or institution listed as beneficiary, please include the full name, address, phone, fax, and email address of the organization.
What is portability and what are the advantages of having it?

Portability is an option that enables you to obtain life insurance coverage similar to what the WBG provides after you separate from the WBG. You can elect portability if you are not eligible for Retiree Life Insurance. This is referred to as “porting” coverage. When you port your coverage, the terms and conditions of the port contract may differ from the WBG’s coverage. The current provider of portability coverage is Prudential.

The advantages of portability include:

- No interruption in Group Term Life Insurance coverage after employment ends.
- You pay group portability rates, which may be lower than the individual life insurance rates you would find on your own.
- You are not required to provide proof of good health.
Is there portability and are my dependents eligible for it also?

Am I automatically eligible for portable coverage?

You can choose portability under your Prudential Basic or Optional Term Life coverage as long as you are under age 80 and are actively at work on the day before your employment terminates. Portability is not available upon retirement. To apply for portability, you will need to complete and submit a portability election form on http://life.worldbank.org within 31 days after termination of coverage.

Is coverage for my dependents portable too?

Yes. You may choose the portability option for your spouse/registered domestic partner and children who were covered under Optional Dependent Group Life Insurance if:

- You elect portable coverage on your Basic or Optional Life plan;
- Your spouse or domestic partner is under age 80; and
- Your children are under the age of 25.
Retirement Options

Retiree Life Insurance is offered to Washington-based staff who retire from active service with the WBG and immediately draw a pension.

Once you enroll in Retiree Life Insurance — standard or high option — you cannot increase your level of coverage. You can withdraw or reduce coverage from high to standard at any time. If you withdraw, you cannot re-enter afterwards.

Coverage Options

There are two coverage options for Retiree Life Insurance:

<table>
<thead>
<tr>
<th>Standard coverage</th>
<th>High coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Based on 75% of your final net annual salary.</td>
<td>Based on 150% of your final net annual salary.</td>
</tr>
<tr>
<td>Staff with Basic Group Life Insurance can enroll only in standard retiree life insurance.</td>
<td>Staff with Optional Group Life Insurance are eligible for the high coverage option or standard option.</td>
</tr>
</tbody>
</table>
Who is eligible for Retiree Life Insurance?

You qualify for **Retiree Life Insurance** if you elect to join the plan before your last day of active service. You immediately begin to draw a pension if you meet one of the following criteria:

- You reach age 62 on or before retirement, or
- You reach age 50 with 10 or more years of service credited under the Staff Retirement Plan.

You are ineligible for Retiree Life Insurance if you do not draw an immediate pension or if you qualified for the Retiree Life Insurance plan before your last day of active service, but did not elect to participate in the program. In this case, you may be eligible for portability.

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**Premiums and Coverage**

1. Premiums and coverage remain constant until you reach age 67.
2. From age 67 to 80, the premium remains constant but the coverage amount decreases.
3. At age 80, the premium decreases, and the coverage amount is fixed at $5,000 for the standard option and $10,000 for the high option.

Basic Accidental Death & Dismemberment (AD&D) Coverage

Eligible staff are automatically enrolled in basic coverage on their first day of employment.

The WBG provides and fully pays for basic AD&D insurance for Washington-based staff on Regular, Open, and Term appointments, as well as Executive Directors, ED Alternates, Advisors, and Senior Advisors, equal to three times the annual net salary. In addition, this basic coverage includes dependent coverage of:

- 150% of net annual salary for the death of the spouse/registered domestic partner of a staff member.
- 75% of net annual salary for the death of an eligible dependent child of a staff member.

Optional Individual AD&D Coverage

Eligible Washington-based staff can choose to purchase additional AD&D coverage for themselves equal to three times annual net salary. This is optional coverage, and staff pay 100% of the premium for the additional insurance.

The chart below illustrates the premium costs for optional coverage. As rates are subject to change, go to [http://life.worldbank.org](http://life.worldbank.org) for the most up-to-date information.

### What you should know about Optional AD&D coverage
- You can enroll in the optional AD&D plan at any time.
- You do not have to provide evidence of your good health.
- You can reduce or cancel your coverage at any time.
- Any change you make will be effective on the first of the month following the date your change request is received.

### Optional AD&D Coverage

<table>
<thead>
<tr>
<th>Salary Amount</th>
<th>Coverage Level</th>
<th>Coverage Amount</th>
<th>Monthly Rate per $1,000 of Coverage</th>
<th>Premium per Paycheck</th>
<th>Premium per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000</td>
<td>Individual Coverage 3 times annual net salary</td>
<td>$300,000</td>
<td>$0.01</td>
<td>$1.50</td>
<td>$3.00</td>
</tr>
</tbody>
</table>
Optional Family AD&D Coverage

Washington-based staff on Regular, Open, and Term appointments, as well as Executive Directors, ED Alternates, ED Advisors, and Senior Advisors can also purchase optional family AD&D coverage, which doubles all basic coverage: the totals of basic plus optional become 600% for the death of a staff member, 300% for an eligible spouse/domestic partner, and 150% for each eligible child. You pay 100% of the premium for the additional insurance.

### Optional Family AD&D

<table>
<thead>
<tr>
<th>Salary Amount</th>
<th>Coverage Level</th>
<th>Coverage Amount</th>
<th>Monthly Rate per $1,000 of coverage</th>
<th>Premium Per Paycheck</th>
<th>Premium Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000</td>
<td>Family Coverage</td>
<td>$300,000</td>
<td>$0.028</td>
<td>$4.20</td>
<td>$8.40</td>
</tr>
</tbody>
</table>
**AD&D Summary**

The chart below summarizes the AD&D coverage available to Washington-based staff. Go to [http://life.worldbank.org](http://life.worldbank.org) to find out how to Purchase/Increase or Reduce/Cancel the WBG’s Optional Family AD&D Insurance.

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Program</th>
<th>Paid By</th>
<th>Washington-based Staff</th>
</tr>
</thead>
</table>
| Automatic on the first day of service | Basic for Active Staff and dependents         | WBG         | • 300% net salary for death of staff member  
                                |                                |                          | • 150% of annual net salary for death of spouse  
                                |                                |                          | • 75% of annual net salary for death of child |
| Enrollment at any time          | Optional for Active Staff and dependents     | Staff member| Individual option:  
                                | (Not ETC/ETTs)                  |                          | • 300% of annual net salary for death of staff member |
                                |                                |                          | Family option:  
                                |                                |                          | • 300% of annual net salary for death of staff member  
                                |                                |                          | • 150% of annual net salary for death of spouse  
                                |                                |                          | • 75% of annual net salary for death of child |
Where to learn more


**Contact Information for HR Operations Center:**

Phone: 1-(202) 473-2222 or 5220+32222

For calls from a WBG Country Office during these times:

- Monday – Friday: 11:30 p.m. to 7:00 p.m. (Washington time)
- Sunday: 11:30 p.m. to 1:00 p.m. (Washington time)

Email: hroperations@worldbank.org