

Understanding Upcoming Changes to Life Insurance and AD&D Coverage

As previously communicated, the following changes to life insurance and AD&D coverage will become effective January 1, 2023:

- **Life insurance:** Any NCFlex coverage you currently have will be mapped to the UNC plan. Since the UNC plan uses a salary multiplier formula, which is different than the NCFlex plan, your coverage may be rounded up when it is mapped over to the UNC plan. This communication is designed to help you understand how that mapping will work for your employee coverage as well as any spousal or child(ren) life insurance you currently have.
- **Core AD&D:** Any NCFlex coverage you currently have will be mapped to the UNC plan and all benefit-eligible employees will be automatically enrolled in \$10,000 of UNC Core AD&D coverage at no cost to the employees. You no longer need to enroll to receive this free coverage. However, you will need to log in to the UNC (Empyrean) platform to designate your beneficiary for Core AD&D coverage.
- **Voluntary AD&D:** Any NCFlex Voluntary AD&D coverage you currently have will be mapped to the exact same level of coverage you currently have. For example, if you currently have \$200,000 in AD&D coverage through the NCFlex plan, you will now have \$200,000 in coverage under the UNC plan.



Will I Lose Any of My Coverage When It's Mapped to the UNC Plan?

You will **not** lose any of your existing life insurance and AD&D coverage for yourself as a result of being mapped to the UNC life insurance plan, even if you exceed the UNC plan limits. The only way that your employee benefits would be reduced is if you request them to be changed during Open Enrollment.

Note: It is possible that you could lose some spousal or child coverage, but this would only happen if your combined coverage exceeds the UNC plan limits. For example, if you currently have \$10,000 of NCFlex child life coverage and another \$10,000 of UNC child life coverage, your current \$20,000 in coverage would be reduced to \$10,000 when it is mapped to the UNC plan.

Don't Forget About the Guaranteed Issue

Guaranteed Issue refers to the amount of coverage that is guaranteed to be issued regardless of your health status. The guaranteed issue for the UNC life insurance plan is higher than the NCFlex plan, as shown below.

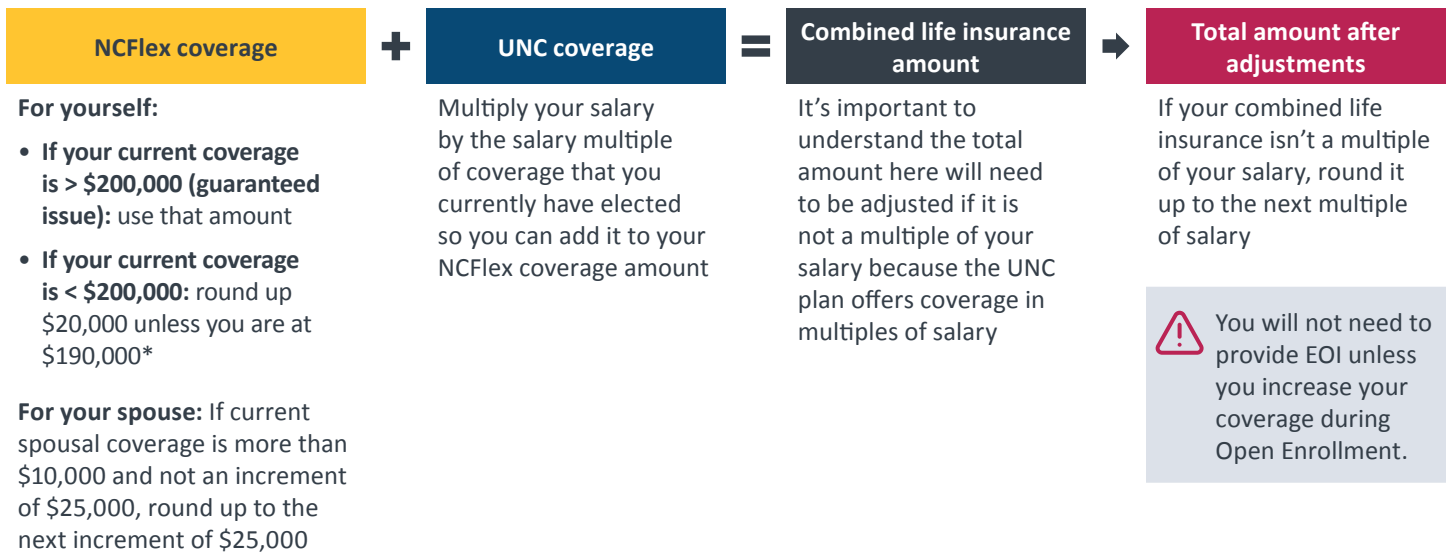
UNC Plan	NCFlex Plan
Employee: Lesser of three times your salary or \$500,000 Spouse: \$50,000	\$200,000

KEEP IN MIND

- Guaranteed issue is **not** applicable to child(ren) coverage; Evidence of Insurability (EOI) is never required for child(ren).
- If you are not currently enrolled in either UNC or NCFlex life insurance coverage and want to enroll in UNC coverage or you are wanting coverage over the guaranteed issue amount, you will be required to submit EOI. The UNC (Empyrean) platform will prompt you if EOI is required.

How Life Insurance Mapping Will Work

See the formula below to understand how your NCFlex life insurance coverage will map to the UNC life insurance plan.



You will not need to provide EOI unless you increase your coverage during Open Enrollment.

* Round up \$10,000, if you're at \$190,000 because \$20,000 would put you over the guaranteed issue.

IMPORTANT NOTES

- If you have coverage for your child(ren), it will be mapped to \$10,000, regardless of your current election since that is the only option offered under the UNC life insurance plan.
- **Your current beneficiary(ies) will NOT be transferred over to the UNC (Empyrean) platform. Be sure to log in and designate them.**
- You don't have to do all the math to figure out your mapped employee and spousal coverage amounts unless you want to. You will be able to view the total amount of life insurance (NCFlex mapped coverage plus any UNC life insurance you already have) and make changes to your coverage via the UNC (Empyrean) platform when Open Enrollment begins on October 10.



Remember, your mapped amounts will depend on what you've currently elected for the NCFlex and/or UNC life insurance plans. If you can't remember what you've elected, where you go to check your coverage will depend on when you are checking. See the callout box on the last page for details.

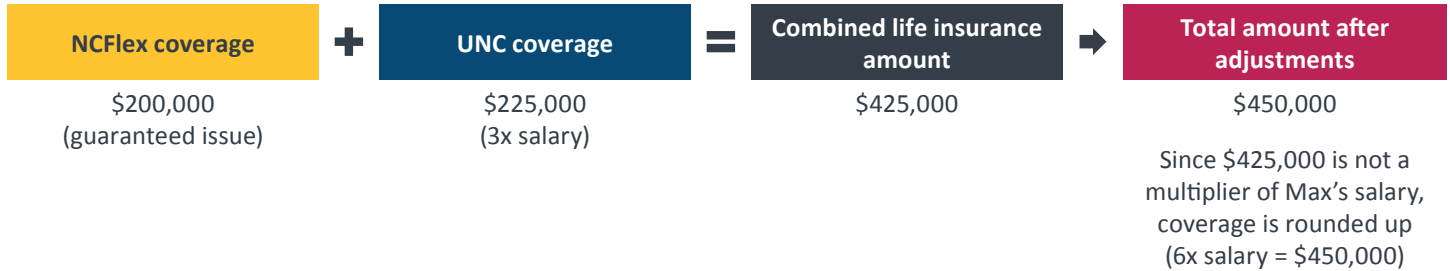
Applying the Mapping Formula to Real Life Scenarios

The following examples illustrate how the mapping formula works in different scenarios. For additional examples, see the [2023 Open Enrollment Frequently Asked Questions](#).



Meet Max

Max makes \$75,000 a year and is currently enrolled in \$200,000 of NCFlex life insurance and 3x salary under the UNC life insurance plan (i.e., \$225,000). Since he's already at the guaranteed issue amount, his NCFlex coverage amount will not be rounded up. To determine his mapped coverage amount, we'll add his NCFlex amount to his UNC amount to get a combined life coverage amount of \$425,000. Since this amount is not a multiple of Max's salary, it will be rounded up to 6x salary (i.e., \$450,000). Max will not need to provide EOI unless he decides to increase his coverage during Open Enrollment.

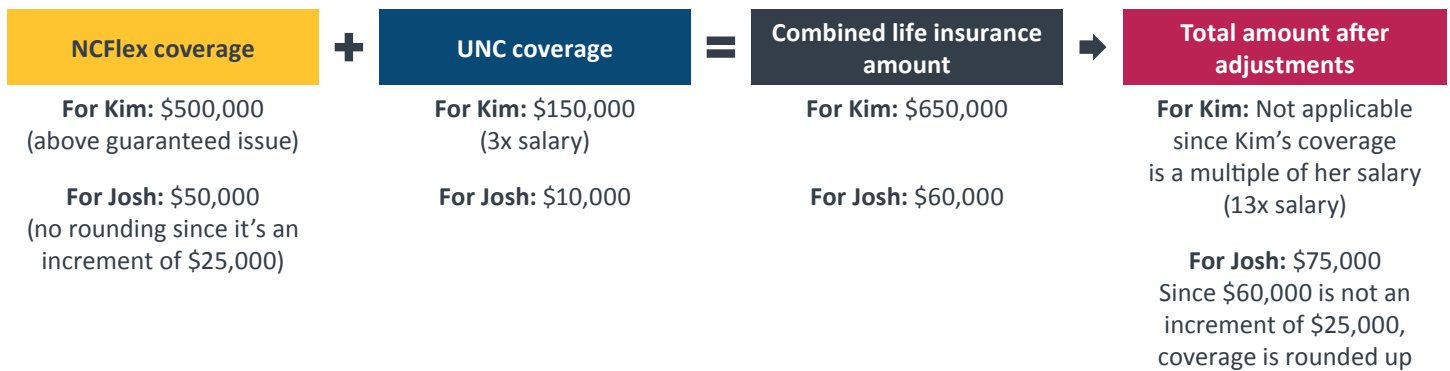


Max will not need to provide EOI unless he increases his coverage during Open Enrollment.



Meet Kim and Josh

Kim currently makes \$50,000 a year and is enrolled in \$500,000 of NCFlex life insurance for herself and \$50,000 for her spouse Josh. In addition, she is enrolled in 3x salary under the UNC plan (i.e., \$150,000) for herself and \$10,000 for Josh. Since she's already covered above the guaranteed issue amount, her NCFlex coverage amount will not be rounded up. To determine her mapped coverage amount for herself, we'll add her NCFlex amount to her UNC amount to get a combined life coverage amount of \$650,000, meaning she will be mapped to the equivalent salary multiplier—13x salary—for herself. While this amount is higher than the UNC plan limits (i.e., 10x salary), Kim will be grandfathered into the plan at 13x salary. Kim will not be able to increase coverage for herself; however, she will have the option to decrease coverage during Open Enrollment. Her combined spousal coverage for Josh is \$60,000 but the UNC spousal coverage amounts are in increments of \$25,000 so his coverage will round up to \$75,000. No EOI will be required unless Kim increases coverage for Josh during Open Enrollment.

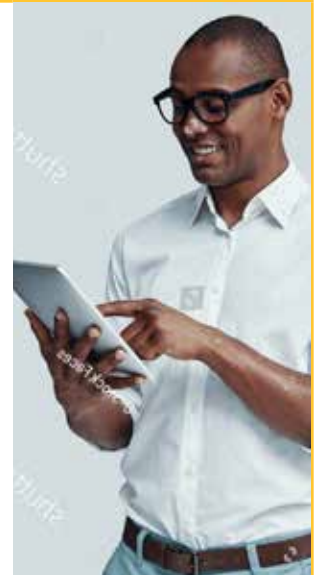


Kim and Josh will not need to provide EOI unless Kim increases their coverage during Open Enrollment

How to Check Your Life Insurance and AD&D Coverage

- You can review your 2022 NCFlex life insurance and AD&D coverage in the eBenefits (Benefitfocus) platform until December 31, 2022. You can review your UNC life insurance on the UNC (Empyrean) platform.
- You can use the UNC (Empyrean) platform to review your mapped 2023 coverage.
- **For new hire enrollment:**
 - If you were hired on or before November 30, 2022, you can review your NCFlex life insurance and AD&D coverage on the eBenefits (Benefitfocus) platform. You can review your UNC life insurance on the UNC (Empyrean) platform.
 - If you were hired on or after December 1, 2022, you can review your UNC life and AD&D coverage on the UNC (Empyrean) platform.

Note: You can access both of the enrollment platforms for your institution from the [enrollment page](#) on the UNC System Human Resources site.



REMINDER ABOUT QUALIFIED LIFE EVENTS

The platform you use to process Qualified Life Events will depend on when you experience the event as well as the type of benefit coverage (NCFlex or UNC) you need to change.

- If the event occurs **before December 1, 2022**, you will use the eBenefits (Benefitfocus) platform for all effected coverage with the exception of UNC life insurance (you will need to use the UNC (Empyrean) platform for UNC life insurance).
- If the event occurs **on or after December 1, 2022**, you will need to use the UNC (Empyrean) platform for life insurance, AD&D, Cancer, and Critical Illness coverage changes. Use eBenefits (Benefitfocus) for all other changes.
- If you are unsure of which platform to use, contact your institution's University Benefit Administrator (UBA) or click [here](#) [\[link TBD\]](#) for an Employee Enrollment Matrix for additional assistance.



For More Information

See the [2023 Open Enrollment Frequently Asked Questions](#). In addition, you can review the plan summary [here](#) [\[link to plan summary\]](#).

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