

# Life Insurance Plan

## OVERVIEW

The Group Variable Universal Life Insurance Plan through Metropolitan Life Insurance Company (MetLife) offers low group rates and optional investment opportunities with life contracts that are portable, so when you leave Atrium Health you can keep your coverage at the same group rates.

## WHO IS ELIGIBLE

Administrators working at least 30 hours per week and physicians working at least 20 hours per week are eligible for this plan. If you are age 71 or older when you begin your participation, your participation must be approved.

“Basic coverage” is effective the 1<sup>st</sup> of the month following eligibility (date of hire). MetLife will send a welcome package with information regarding coverage options and beneficiaries.

If enrollment is not completed, you will be auto-enrolled 60-days from the date you first become eligible.

## WHO PAYS THE COST

Atrium Health pays for your basic coverage. You pay the cost for any supplemental coverage through an automatic payment method with MetLife. If you are a production paid Medical Group physician, the premium cost may be allocated to your production account.

You must be actively at work on the day your coverage goes into effect. If you are absent due to illness or disability, your coverage will go into effect on the day you return to active work.

## COVERAGE AMOUNTS

You will receive company-paid or “basic coverage” equal to three times your “target cash compensation,” up to MetLife’s guaranteed issue limit of the lesser of three times your target cash compensation or \$5 million—without evidence of your health status.

Target cash compensation is your annual base salary plus your target incentive award, if any. If you are a Medical Group physician, your target cash compensation is your annualized guarantee or draw.

If your coverage amount exceeds MetLife’s guaranteed issue limits, the excess amount will go into effect after your health status is approved.

You may elect voluntary supplemental coverage of up to five times your target cash compensation. The supplemental coverage cost is based on your age and is updated each year. Supplemental coverage is issued subject to MetLife’s simplified issue rules, which require a health questionnaire and a simple blood test for coverage in excess of \$500,000 above guaranteed issue or if coverage exceeds \$2 million. Additional evidence of health status may be required for coverage over \$3 million.

Your maximum benefit, with approval from MetLife, cannot exceed the lesser of eight times your target cash compensation or \$5 million.

## YOUR INDIVIDUAL INSURANCE CERTIFICATE

MetLife will mail an individual insurance certificate to your home eight weeks after your effective coverage date. You own your life insurance certificate. Since coverage is portable, you take your certificate with you when you leave Atrium Health.

Review your certificate upon receipt. You may cancel your policy or request an increase within the time frames specified in the certificate.

## INVESTMENT PREMIUM FEATURE

You may use your policy as a tax-advantaged investment vehicle by contributing additional amounts to it. Under current tax rules, policy earnings are not subject to income tax until withdrawn. You also have the option to borrow against the policy’s cash value. You direct the investment of your additional premium into the professionally managed investment fund options.

There are expenses associated with the additional premiums such as premium taxes, mortality and expense charges, and mutual funds fees. There is also a charge for partial withdrawals from the policy. Information about the investment funds, expenses and other details are in the MetLife prospectus.

You can use the investment premium feature to build up cash inside your policy to pre-fund policy expenses after you retire or for other financial needs. Your investment and tax-deferred earnings are available to you at any time, for any reason.

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## HOW YOUR BENEFITS ARE PAID

If you die before age 95, the coverage amount will be paid to your beneficiary. Your beneficiary will also receive any additional death benefits due to cash value (i.e., due to investment premiums) in your policy at the time of your death. If you are living when your policy matures (i.e., age 95), the owner of your policy will receive the cash surrender value of your policy, if any.

Policy benefits may be available in advance of your death if you are terminally ill or permanently confined to a nursing home.

## LIMITATIONS ON YOUR BENEFITS

Your plan benefits are limited to actual benefits payable through the MetLife policy, subject to the terms, conditions and exclusions of the group contract and certificate. MetLife's guaranteed issue limits are subject to change. Additional limitations and exclusions are described in your certificate.

View your insurance information by logging on to the GVUL website, <https://mybenefits.metlife.com> or call a MetLife GVUL Specialist at 800-756-0124, weekdays, 8am-8pm ET. You will need your User ID and password to log onto the website.

## IF YOUR EMPLOYMENT STATUS CHANGES

If you are no longer eligible for this plan or you leave Atrium Health, you can arrange to have MetLife bill you directly for premiums at the same low group rates.

## FUTURE OF THE PLAN

Atrium Health may modify or terminate the plan at any time without prior notice. If the Group Contract is terminated, the insurance in force on the date of termination will remain in force on an individual basis until surrendered by the policyholder.

## TAX IMPLICATIONS

The premiums Atrium Health pays are taxable to you. All death benefits are income tax-free; however, the benefits may be subject to estate tax. Earnings on investment premiums are not subject to taxation until withdrawn, and then only to the extent they exceed the cumulative premiums paid. For additional information about the tax consequences of your MetLife policy, refer to the current prospectus.

Atrium Health can make no guarantees as to what your tax treatment may be, and you are encouraged to seek advice from your own tax counsel. This summary is based on Atrium Health's understanding of the present Federal income tax laws. There is always the possibility that the tax treatment of life insurance could change.

HR Service Center

Phone: 704-631-1500

Email: [HRServiceCenter@AtriumHealth.org](mailto:HRServiceCenter@AtriumHealth.org)

*The information contained in this document should not be construed as a promise or guarantee of employment. Atrium Health reserves the right to modify, amend, suspend or terminate this plan at any time for any reason. Please note that these highlights are not a complete description of the Plan or the policy. In the event of a conflict between these highlights and the policy provisions, the policy shall prevail.*