

Financial Protection for You and Your Loved Ones



Basic Employer-Paid Life Insurance

Optional Employee-Paid Life Insurance

Dependent Employee-Paid Life Insurance

Voluntary Accidental Death
& Dismemberment Insurance



“Buying life insurance at work helped me, a single mom, ensure that my child’s future is secure.”

“I have peace of mind knowing that if something happens to me, my aging parents will be okay financially.”



“Now that I’m starting a career, I’m going to buy life insurance through work. My employer makes it easy and affordable.”



Safeguarding Your Financial Future

Whether you’re just starting out, watching your family grow, or easing into your golden years, life insurance should be an important part of your financial plan.

As a Michigan State University employee, you may be eligible for valuable group insurance benefits, including Basic Employer-Paid Life Insurance, Optional Employee-Paid Life Insurance, Dependent Employee-Paid Life Insurance, and Voluntary Accidental Death & Dismemberment (AD&D) Insurance. These coverages are issued by The Prudential Insurance Company of America (Prudential)—a name you know and trust.

Advantages of Purchasing Insurance at Work

Purchasing your coverage at work is:

- **Easy.** There are no confusing quotes to sort through.
- **Economical.** Group insurance may be more affordable than coverage you buy on your own.
- **Convenient.** You can pay through payroll deductions—there are no checks to write.

If you already have life insurance, consider this.

Life changes quickly, and your insurance needs change quickly, too. Babies, a bigger house, a child in college, preparing for retirement—all are good reasons to re-evaluate your life insurance needs.

It’s easy to find out how much life insurance is right for you and your lifestyle. Just go to www.prudential.com/HowMuchDoINeed and complete the convenient needs estimator.

Determining Your Eligibility

Basic Employer-Paid Life Insurance Eligibility:

- All regular full-time Faculty/Academic staff with a nine-month appointment or more; Executive Management; Faculty appointed with tenure; National Superconducting Cyclotron Laboratory (NSCL) staff with continued appointment; and University support staff.
- Full-time employees who have vested* for retirement and transfer to regular part-time status of 50% time or more.
- Regular part-time employees with a continued appointment of 50%–89.9% who are classified as: Faculty/Academic staff with a nine-month appointment; Executive Management; Faculty appointed with tenure; NSCL staff with continued appointment, excluding Graduate Assistants; Post-Doctoral Fellows; and retired, temporary, and part-time employees other than those referenced here.
- Clerical-Technical Union (CTU) members who first become eligible for insurance while employed on a full-time basis will remain insured on a proportional basis while working on a part-time basis of 50%–89.9%.

Optional Employee-Paid Life Insurance and Dependent Employee-Paid Life Insurance Eligibility:

- All regular full-time and part-time (50%–89.9%) Faculty/Academic staff with a nine-month appointment or more; Executive Management; Faculty appointed with tenure; NSCL staff with continued appointment; and University support staff excluding Graduate Assistants, Post-Doctoral Fellows, and temporary employees.
- Full-time employees who have vested* for retirement and transfer to regular part-time status of 50% time or more.

*To be vested, you must have completed 25 years of service at any age, or 15 years of service and be age 62 or older.

Voluntary Accidental Death & Dismemberment (AD&D) Insurance Eligibility:

- All regular full-time and part-time (50%–89.9%) Faculty/Academic and University support staff; and members of the Board of Trustees of the University and their eligible dependents.

Enrolling for Coverage

You can enroll for coverage at www.hr.msu.edu during the University's annual open enrollment period, which takes place in the spring of each year.

If you are a late enrollee applying for coverage 60 days after date of hire, or you are increasing coverage, you will need to complete the enrollment process online, submit a beneficiary form, and provide proof of good health (i.e., evidence of insurability [EOI]) satisfactory to Prudential. You will submit the beneficiary form to the Michigan State University Human Resources office.

Note: If you are electing coverage for your spouse or Other Eligible Individual (OEI), he or she will be required to send his or her proof of good health to Prudential for processing. AD&D Insurance does not require proof of good health.

Guaranteed Coverage

If you are a new Michigan State University employee and apply for insurance within 60 days of your date of hire or appointment to eligible status, you can choose any of the coverage amounts offered, up to the guaranteed amount for you and your dependents as shown in the plan, without providing proof of good health.

If you apply for coverage for yourself and any dependents beyond 60 days of the date you become eligible, the guaranteed coverage amounts will not apply. Coverage will not be issued until you provide proof of good health satisfactory to Prudential. Proof of good health may include a paramedical exam or a physician's statement.

Evidence of Insurability (EOI) Requirements

Event	Employee	Spouse	Child	AD&D
New Hires/ Newly Eligible	<p>EOI is not required:</p> <ul style="list-style-type: none"> ■ 1x to 3x Base Annual Earnings (BAE) to a maximum of \$500,000 <p>EOI is required:</p> <ul style="list-style-type: none"> ■ 4x to 8x BAE and amounts over \$500,000 ■ Maximum coverage is \$2,000,000 	<p>EOI is not required:</p> <ul style="list-style-type: none"> ■ \$10,000 or \$25,000 options <p>EOI is required:</p> <ul style="list-style-type: none"> ■ \$ 50,000 ■ \$ 75,000 ■ \$100,000 ■ \$125,000 ■ \$150,000 ■ \$175,000 ■ \$200,000 	EOI is not required	EOI is not required
Annual Enrollment	EOI is required for all level increases	EOI is required for all level increases	EOI is not required	EOI is not required
Salary Changes	EOI is not required	EOI is not required	EOI is not required	EOI is not required
Life Events	Must enroll within 31 days— EOI is required for all level increases	Must enroll within 31 days—EOI is required unless newly eligible	EOI is not required	EOI is not required

Plan Design Summary

<p>Basic Employer-Paid Life Insurance</p>	<p>You are automatically enrolled for 100% Basic Employer-Paid Life Insurance equal to one times your base annual earnings (BAE), rounded to the next higher dollar, to a maximum of \$50,000.</p>	<p>Employee and Family Voluntary Accidental Death & Dismemberment (AD&D) Insurance</p>	<ul style="list-style-type: none"> ■ Employee coverage: You may purchase coverage for one to eight times your BAE, rounded to the next higher dollar, to a maximum of \$1,000,000.
<p>Optional Employee-Paid Life Insurance</p>	<ul style="list-style-type: none"> ■ You may purchase coverage for one to eight times your BAE, rounded to the next higher dollar, to a maximum of \$2,000,000. ■ Your coverage will be reduced as you grow older. It will be reduced to 65% of your original amount at age 65 and 50% of your original amount at age 70. 		<ul style="list-style-type: none"> ■ Family coverage: You can purchase coverage for you and your eligible dependents. Your coverage can be from one to eight times your BAE, rounded to the next higher dollar, to a maximum of \$1,000,000. If both you and your spouse/OEI are employed by the University, only one person may elect family coverage.
<p>Spouse/Other Eligible Individual (OEI) Employee-Paid Life Insurance*</p>	<ul style="list-style-type: none"> ■ You may purchase coverage for your spouse/OEI for \$10,000, or in increments of \$25,000 to a maximum of \$200,000. You must be enrolled for Optional Employee-Paid Life Insurance to be eligible for spouse/OEI coverage. 		<p>Spouse/OEI and Child(ren) coverage will be based on the composition of your family, as follows:</p> <ul style="list-style-type: none"> ■ Spouse/OEI—60% of your Voluntary AD&D Insurance coverage amount to a maximum of \$600,000;
<p>Child(ren) Employee-Paid Life Insurance*</p>	<ul style="list-style-type: none"> ■ You may purchase coverage for your children in increments of \$5,000, up to a maximum of \$25,000. ■ There are no health requirements for this coverage. ■ You must be enrolled for Optional Employee-Paid Life Insurance to enroll for Child(ren) Employee-Paid Life Insurance. ■ Coverage begins at live birth and continues to age 19. If the child is unmarried, dependent on you, and a full-time student; or meets the IRS dependent gross income test, coverage continues to age 23. 		<ul style="list-style-type: none"> ■ Child(ren) only—20% of your Voluntary AD&D Insurance coverage amount to a maximum of \$100,000; ■ Spouse/OEI and Child(ren)— Spouse/OEI: 50% of your Voluntary AD&D Insurance coverage amount. Child(ren): 15% of your Voluntary AD&D Insurance coverage amount.

*You may purchase life insurance coverage for you and your spouse/OEI and child(ren) if you both are employed by the University.

Determining How Much Your Optional Employee-Paid Life Insurance Will Cost

Use the grids below to find the cost of insurance for you, your spouse/OEI, and your dependent children. Please note that rates will change on the date you enter a new age bracket. In addition, rates are subject to change based on the performance of the overall plan experience. These rates are effective July 1, 2011.

Cost of Optional and Dependent Employee-Paid Life Insurance for You and Your Spouse/OEI

Employee Age	Employee Rate per \$1,000 of coverage	Spouse/OEI Rate* per \$1,000 of coverage
<25	\$0.028	\$0.050
25–29	\$0.033	\$0.050
30–34	\$0.045	\$0.070
35–39	\$0.051	\$0.080
40–44	\$0.057	\$0.090
45–49	\$0.085	\$0.140
50–54	\$0.130	\$0.210
55–59	\$0.243	\$0.390
60–64	\$0.373	\$0.600
65–69	\$0.716	\$1.160
70+	\$1.162	\$1.870

*Spouse/OEI rates are based on the age of the employee, not the age of the spouse/OEI.

Cost of Dependent Employee-Paid Life Insurance for Your Child(ren)

Dependent Employee-Paid Life Insurance will cover your eligible children for the coverage amount you select, regardless of the number of children you have.

Child(ren) Rate* \$0.095 per \$1,000 of benefit coverage

*Age is not a factor in rates for children.

Cost of Insurance for Your Voluntary AD&D Benefit

Full & Part-Time Employees	\$0.015 per \$1,000 of benefit coverage for employee-only coverage
Employee & Family	\$0.023 per \$1,000 of benefit coverage for family based on the employee benefit amount

Example

A 35-year-old employee elects:

- \$60,000 of Optional Employee-Paid Life Insurance,
- \$60,000 of Dependent Employee-Paid Life Insurance, for his/her spouse/OEI
- \$10,000 of Dependent Employee-Paid Life Insurance for his/her child(ren)
- \$60,000 of AD&D Insurance for employee and his/her family

Employee life insurance

monthly cost:

\$3.06 (\$60,000/1,000 x \$0.051)

Spouse/OEI life

insurance monthly cost:

\$4.80 (\$60,000/1,000 x \$0.080)

Child(ren) life insurance

monthly cost:

\$0.95 (\$10,000/1,000 x \$0.095)

Employee & Family

AD&D monthly cost:

\$1.38 (\$60,000/1,000 x \$0.023)

When Your Coverage Begins

For your coverage to become effective, you must be actively at work during enrollment and on the effective date of the plan. If you apply for an amount of coverage that requires proof of good health satisfactory to Prudential, you must be actively at work on the date of approval for that amount to be effective.

Updated Optional Employee-Paid Life Rates

Due to Premium Reduction - Effective 7/1/2011-6/30/2012

We have good news for MSU active employees who are currently enrolled or new hires who enroll in the Optional Employee-Paid Life Insurance Plan. Due to a lower than expected number of claims processed, we are pleased to announce a premium reduction from July 1, 2011 through June 30, 2012.

Optional Employee-Paid Life Insurance Monthly Rates All Active Employees Except AY Faculty & Academic Staff

EMPLOYEE RATES PER \$1,000 OF COVERAGE BY AGE	⁽¹⁾ SPOUSE RATES PER \$1,000 OF COVERAGE BY AGE	RATES FOR CHILDREN PER \$1,000 OF COVERAGE
<25: \$0.021	<25: \$0.038	\$0.071 per \$1,000 of coverage - age is not a factor in rates for children.
25-29: \$0.025	25-29: \$0.038	
30-34: \$0.034	30-34: \$0.053	
35-39: \$0.038	35-39: \$0.060	
40-44: \$0.043	40-44: \$0.068	
45-49: \$0.064	45-49: \$0.105	
50-54: \$0.098	50-54: \$0.158	
55-59: \$0.182	55-59: \$0.293	
60-64: \$0.280	60-64: \$0.450	
65-69: \$0.537	65-69: \$0.870	
70+: \$0.872	70+: \$1.403	Premium covers all children (e.g. you don't have to multiply it by 4 to cover 4 children.)

1. Spouse rates are based on the age of the employee, NOT the age of the spouse.

Optional Employee-Paid Life Insurance Monthly Rates AY Faculty & Academic Staff ⁽¹⁾

EMPLOYEE RATES PER \$1,000 OF COVERAGE BY AGE	⁽²⁾ SPOUSE RATES PER \$1,000 OF COVERAGE BY AGE	RATES FOR CHILDREN PER \$1,000 OF COVERAGE
<25: \$0.032	<25: \$0.056	\$0.107 per \$1,000 of coverage - age is not a factor in rates for children.
25-29: \$0.037	25-29: \$0.056	
30-34: \$0.051	30-34: \$0.079	
35-39: \$0.057	35-39: \$0.090	
40-44: \$0.064	40-44: \$0.101	
45-49: \$0.096	45-49: \$0.158	
50-54: \$0.146	50-54: \$0.236	
55-59: \$0.273	55-59: \$0.439	
60-64: \$0.420	60-64: \$0.675	
65-69: \$0.806	65-69: \$1.305	
70+: \$1.307	70+: \$2.104	Premium covers all children (e.g. you don't have to multiply it by 4 to cover 4 children.)

1. Academic Year (AY) faculty and academic staff on 9-month appointments have deductions taken out from September through April.

2. Spouse rates are based on the age of the employee, NOT the age of the spouse.

The coverage for your spouse/OEI and child(ren) will not become effective if they are home- or hospital-confined for medical treatment. They must be able to perform normal activities of daily living. In addition, if your spouse/OEI applies for an amount of coverage that requires proof of good health satisfactory to Prudential, that amount will not become effective until Prudential determines that the proof of good health is satisfactory.

When Your Coverage Ends

Your coverage will automatically terminate immediately upon the earliest of the following dates: (a) the date you transfer to a class of employees not eligible for insurance; (b) the date you terminate employment with the University, for Basic Employer-Paid Life; (c) the end of the month for Optional Employee-Paid Life, Dependent Employee-Paid Life, and Voluntary Accidental Death & Dismemberment; (d) the date of the termination of the Policy; (e) the date you reach age 70 (if you are a retiree).

Please contact Human Resources if you have specific questions while on a leave of absence.

When your coverage ends, refer to the “Converting to an Individual Policy” or “Porting Your Coverage” sections for instructions.

Plan Features

Convenient Payroll Deductions

You can pay for your coverage through convenient payroll deductions. Your total deductions will depend on the plan you select and if you choose coverage for your spouse/OEI and child(ren).

Accelerated Benefit Option

If you become terminally ill, you can receive a partial payment of up to 75% to a maximum of \$775,000 of your group life insurance benefit. You can use this payment as you see fit. The payment to your beneficiary will be reduced by the amount you receive with the Accelerated Benefit Option. If your spouse/OEI becomes terminally ill, he/she can also receive a partial payment of the group life insurance benefit. The payment will be reduced by the amount received with the Accelerated Benefit Option.¹

Accidental Death & Dismemberment Loss Schedule

Michigan State University Employees & Dependents

Benefits are paid at certain percentages of your coverage amount for specific accidental losses, as indicated in the chart below. Not more than 100% of your coverage amount is payable for all losses due to the same accident. This schedule is effective July 1, 2011.

Loss of or by Reason of:	Percentage of Insured's Amount of AD&D Coverage
Life	100%
Sight of Both Eyes	100%
Speech and Hearing in Both Ears	100%
Both Hands	100%
Both Feet	100%
One Hand and One Foot	100%
One Hand and Sight in One Eye	100%
One Foot and Sight in One Eye	100%
Quadriplegia	100%
Paraplegia	75%
Hemiplegia	75%
One Arm	75%
One Leg	75%
Sight in One Eye	50%
Speech	50%
Hearing in Both Ears	50%
One Hand	50%
One Foot	50%
Hearing in One Ear	50%
Uniplegia	25%
Thumb and Index Finger of the Same Hand	25%
Coma	2% per month, up to 50 months

Limit per accident: No more than the amount of insurance on a person at the time of the accident will be paid for all resulting injuries sustained in that accident.

AD&D Education and Child Care Benefits

Tuition Reimbursement for Your Spouse/OEI

This additional benefit for tuition reimbursement for your spouse/OEI only applies if you suffer a loss of life. This benefit amount can be equal to the lesser of:

- (a) The actual annual tuition charged for the program;
- (b) 5% of your Amount of Insurance; and
- (c) \$20,000.

This benefit is payable for only four years.

Tuition Reimbursement for Your Dependent Child

This additional benefit for tuition reimbursement for your dependent child only applies once. It applies if either you suffer a loss of life, or your covered spouse/OEI suffers a loss of life. This benefit amount can be equal to the lesser of:

- (a) The actual annual tuition charged for the program;
- (b) 10% of your Amount of Insurance; and
- (c) \$20,000.

This benefit is payable for only four years.

Child Care Expenses for Your Dependent Child

This additional benefit for child care expenses for your dependent child only applies once. It applies if either you suffer a loss of life, or your covered spouse/OEI suffers a loss of life. This benefit amount can be equal to the lesser of:

- (a) The actual annual child expense charged for the program;
- (b) 5% of your Amount of Insurance; and
- (c) \$7,500.

This benefit is payable for only four years.

This additional benefit is payable to the person who:

1. Is your spouse/OEI on the date of your death; and
2. Enrolls in any professional or trade program within 365 days after the date of your death for the purposes of obtaining an independent source of support or enriching his/her ability to earn a living.

Proof of enrollment must be provided to Prudential.

This additional benefit is payable for each dependent child less than age 23 who:

1. Is your child who wholly depends on you for support and maintenance on the date of your death or your spouse's/OEI's death; and
2. Is enrolled as a full-time student in a school on the date of your death or your spouse's/OEI's death; or
3. Is in the 12th grade on the date of your death or your spouse's/OEI's death and becomes a full-time student in a school within 365 days after that date.

Proof of enrollment must be provided to Prudential.

This additional benefit is payable for each dependent child less than age 13 who:

1. Is your child who wholly depends on you for support and maintenance on the date of your death or your spouse's/OEI's individual's death; and
2. Is enrolled at a child care center on the date of your death or your spouse's/OEI's death; or
3. Becomes enrolled at a child care center within 90 days after the date of your death or your spouse's/OEI's death.

Proof of enrollment must be provided to Prudential.

AD&D Additional Features

AD&D coverage provides you with supplemental, around-the-clock accident protection. The provisions cover losses due to:

- Coma
- Exposure and disappearance
- Felonious assault
- Employee and spouse/OEI joint death

In addition to the above benefits, the plan also offers additional benefits highlighted on the next page.

Converting to an Individual Policy

If your coverage ends for any reason other than nonpayment of premiums, you can convert your Optional Employee-Paid Life Insurance and Basic Employer-Paid Life Insurance to an individual life insurance policy issued by The Prudential Insurance Company of America without having to provide proof of good health. Converted policies are not to exceed the amount of coverage in force. You can also convert reduced amounts of coverage. You must convert within 31 days of your coverage ending. For more information, call Prudential at 877-232-3555, from 8:00 a.m. to 6:00 p.m., Eastern time, Monday through Friday.

Porting Your Coverage

If your employment with the University ends, or you become ineligible for coverage, you may continue your Optional Employee-Paid Life Insurance to age 80 at group rates. The benefit amount that is portable may be equal to or less than the amount you were covered for previously. To qualify for portability, you are required to be actively at work on the day prior to termination, and you must submit a portability election form within 31 days of your terminating event. Retirees are not eligible for porting.

Your spouse or OEI may also continue coverage until age 80, and your dependent child(ren) can continue coverage to age 19, or to age 23, if a full-time student. Dependent children may only port the amount of coverage they had while you were an active employee. To qualify for portability, your dependents must not be home- or hospital-confined on the day prior to your termination.

Portability is not available under certain circumstances, and proof of good health satisfactory to Prudential may apply. For more information on porting your coverage, please call Prudential at 877-232-3555, from 8:00 a.m. to 6:00 p.m., Eastern time, Monday through Friday.

Seat Belt Benefit

This benefit is payable if a covered person dies as a result of injuries sustained in a covered accident while driving or riding in a private passenger car equipped with seat belts. If that person was protected by a properly fastened seat belt (or, if a child, by a child restraint as defined by state law), that person's death benefit will be increased by 10% but not more than \$10,000. If it is unclear whether the insured had been wearing the required protection, the plan will pay a benefit of 10% to a maximum of \$1,000.

Suicide Exclusion

It is important to note that for Optional Employee-Paid Life Insurance and Dependent Employee-Paid Life Insurance, a loss is not covered if it results from suicide or attempted suicide, while sane or insane. This is a 24-month provision from the effective date of coverage or any increase in coverage.

Designating a Beneficiary

By designating a beneficiary, you can ensure that the disbursement from your coverage goes directly to the loved ones of your choice.

If you don't select a beneficiary, at the time of a life or AD&D claim, benefits from your coverage will be paid based on the conditions outlined in your plan. This means that any amount of insurance for which there is no beneficiary at your death will be payable to the first of the following:

1. Your surviving spouse/OEI; or
2. Your surviving child(ren) in equal shares, or if none;
3. Your surviving parents in equal shares, or if none;
4. Your surviving siblings in equal shares, or if none; or
5. Your estate.

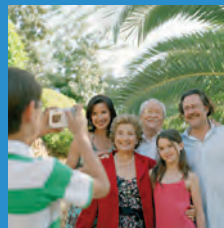
For More Information

Additional plan and rate information can be found at www.hr.msu.edu, or by calling Prudential at 877-232-3555, from 8:00 a.m. to 6:00 p.m., Eastern time, Monday through Friday.



"We're planning for our long-term needs—and our plans include life insurance. It can help protect each of us should the unexpected happen."

"We have a lifetime of exciting experiences ahead of us—like buying a home and raising a family. Life insurance can help protect our financial future."



"We've achieved a comfortable lifestyle, but new financial challenges are on the horizon—like paying for college and saving for retirement. Life insurance can help us meet those challenges."

MICHIGAN STATE
UNIVERSITY

Human Resources Benefits

Michigan State University
1407 S. Harrison Suite 140
East Lansing, MI 48823-5287
Telephone: 517-353-4434 or 800-353-4434

1 Important Notice: The acceleration of life insurance benefits offered under this Certificate is intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986 (under IRC Section 101(g)). If the acceleration of life insurance benefits qualifies for such favorable treatment, the benefits will be excludable from your income and not subject to federal taxation. Tax laws relating to acceleration of life benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which you could receive acceleration of life insurance benefits that are excludable from income under federal law.

Group Basic Term Life Insurance, Optional Term Life Insurance, Dependent Term Life Insurance, and Voluntary Accidental Death & Dismemberment Insurance coverages are issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102. The Booklet-Certificate contains all details, including any policy exclusions, limitations, and restrictions, which may apply. Contract Series: 83500

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