

### 03.112 Optional Group Insurance Programs.

1. Purpose. To provide eligible System employees the opportunity to participate in insurance programs designed to protect them and their families against financial hardship due to illness, disability or death; and, to comply with the rules and regulations under the Uniform Group Insurance Program (UGIP) administered by the Employees Retirement System of Texas (ERS), and the rules and regulations of the System's Long Term Care Program.
2. Policy. It is the policy of the University of North Texas System to provide an opportunity for participation in the Uniform Group Insurance Program, TexFlex and the Long Term Care Plan to all insurance eligible employees; to cover each insurance eligible regular employee under employee only basic health and term life unless a waiver is signed; and, to contribute each month a premium amount set by state law toward the cost (premium) of each insurance eligible employee's basic health and life coverage, in accordance with the Texas Insurance Code, Chapter 1551, Texas Employees Group Insurance Act, as amended, (House Bill No. 2., Seventy-second Legislature of Texas, 1991) and the rules and regulations under the Uniform Group Insurance Program administered by the Employees Retirement System of Texas. In the event of any discrepancy between the policy and provisions stated herein and the official documents, statutes and administrative rules governing the programs administered by the Employees Retirement System of Texas, those documents, statutes and administrative rules will prevail.
3. Responsibility. The UNT Human Resources Department is responsible for coordinating the participation of insurance eligible employees in the Uniform Group Insurance Program and TexFlex that are administered by the Employees Retirement System of Texas. The UNT Human Resources Department and ERS are responsible for the administration of the Long Term Care Plans.
4. Programs. The following programs are available on an optional basis (for specific information regarding plan options, coverage schedules, and premium rates, consult with the Benefits section of UNT Human Resources):
  - a. Group Comprehensive Medical. Insurance-eligible employees may elect to cover themselves and their dependents in HealthSelect of Texas or, if available, an approved health maintenance organization (HMO). These programs provide for comprehensive medical benefits for hospital services, physician's or surgeon's services, nursing care, x-ray, and

laboratory exams, and other medical expense benefits for employees and eligible dependents. Insurance eligible regular employees are required to be covered by the employee only basic health plan (HealthSelect of Texas), unless coverage is waived or another option is chosen.

- b. Basic Term Life and Accidental Death and Dismemberment (AD&D). Employees who participate in the basic health plan or in an HMO are also provided with \$5,000 basic term life insurance and \$5,000 basic AD&D coverage.
- c. Optional Coverages. Upon enrollment in the Uniform Group Insurance Program basic health plan (either HealthSelect or an HMO), employees may during their initial period of eligibility (first 31 days of employment) enroll in any of the following optional coverages:
  - 1. Optional Term Life With AD&D Life. Coverage (for the employee) is available in an amount equal to one (1) or two (2) times the employee's basic annual salary rounded to the next higher multiple of \$1,000 without evidence of insurability. Coverage equal to three- (3) or four- (4) times annual salary is available only after satisfying evidence of insurability. The maximum amount of Optional Term Life Insurance may not exceed \$400,000.
  - 2. Voluntary Accidental Death and Dismemberment (AD&D) Plan. Voluntary accidental death and dismemberment coverage is available for the employee and/or eligible dependents in an amount of \$10,000 to \$200,000 in increments of \$5,000. (See current schedule of benefits for amounts available to employees over 70.)
  - 3. Dependent Term Life. Group term life insurance equal to \$5,000 with \$5,000 AD&D is available to cover eligible dependents.
  - 4. Disability Insurance. Eligible employees may elect to participate in short term disability, long term disability or both short and long term disability coverage. (See current schedule of benefits for details of coverage.)
  - 5. Dental Coverage. Eligible employees may elect coverage for themselves and eligible dependents in

either a dental indemnity plan or in a dental maintenance plan. The dental indemnity plan allows the participant freedom to select care from any dentist while the dental maintenance plan offers benefits with specific providers. (See schedules of benefits for details.)

6. Premium Conversion. Premium conversion enables employees to pay for out-of-pocket premiums for health, dental, life, and AD&D, with tax-free dollars. Premium conversion for dependent life coverage is not allowed by IRS regulations. Disability premiums are also not tax-deferred to allow for tax-free benefits.
- d. TexFlex Programs. Participants in the Uniform Group Insurance Program may participate in the flexible benefits program called TexFlex. TexFlex allows employees to pay for eligible health care and day care expenses with tax-free dollars. The following programs are available: (Detailed information regarding TexFlex is available in the UNT Human Resources Department.)
    1. Health Care Reimbursement Account. A Health Care Reimbursement Account (HCRA) enables employees to set aside tax-free dollars to cover eligible health care expenses incurred by the employee and eligible dependents.
    2. Dependent Care Reimbursement Account. A Dependent Care Reimbursement Account (DCRA) enables employees to pay for dependent care expenses for children under age 13 or for elderly or disabled dependents with tax-free dollars.
  - e. Long Term Care Insurance. All insurance-eligible employees may enroll in group long-term care insurance coverage for themselves and their spouses without evidence of insurability during the employee's initial 31 days of employment.
5. Enrollment Eligibility – Health and Basic Term Life.
    - a. A new full-time insurance-eligible employee is required to be covered by the "employee only" basic health and term life plan the first of the month following their initial ninety (90) day waiting period unless coverage is waived.

- b. A new part-time insurance eligible employee beginning September 1, 2003 or later will automatically have coverage waived. The employee will have an initial eligibility period to enroll in basic health and term life coverage. The initial eligibility period will begin on the employee's hire date and extend until the first of the month following a 90-day waiting period.
  - c. New insurance-eligible employees have an "initial period of eligibility." The eligibility period begins on their first active duty date and ends on their health coverage date (ninety plus days). During this initial eligibility period, employees may enroll eligible dependents without evidence of insurability. Thereafter, evidence of insurability will be required, and coverage is never guaranteed. Additional restrictions on enrollment may be imposed by the Employees Retirement System (ERS) and because of the tax break provided through premium conversion.
  - d. Newly acquired dependents (through marriage, birth, or adoption) may be enrolled without evidence of insurability within 31 days of becoming eligible.
  - e. After dropping coverage, evidence of insurability must be provided by an employee, retiree, or dependent to re-enroll.
  - f. Full-time employees (working 40 hours a week) will receive a state contribution of 100 percent of the cost of the employee basic health and term life coverage, and 50 percent of the cost of dependent coverage. Part-time employees (working 20 or more hours a week up to less than 40 hours a week) will receive a state contribution of 50 percent of the cost of the employee basic health and term life coverage, and 25 percent of the cost of dependent coverage.
  - g. For new insurance eligible staff members who start employment on September 1, 2003, the System will provide the employer contribution from local (non-appropriated) funds for the months from their hire date, September 1, 2003, to the first of the month following ninety (90) days of employment.
6. Enrollment Eligibility – Optional Coverages. New insurance-eligible employees may enroll in Optional Life, Dependent Life, and Disability within 31 days of employment. Thereafter, application for coverage may be made only with evidence of insurability. ERS administrative rules restrict application with evidence of insurability for these

coverages to the annual Summer Enrollment Period unless an eligible Qualifying Life Event has occurred. Voluntary AD&D does not require evidence of insurability, but election of Voluntary AD&D after an employee's first 31 days is limited to the Summer Enrollment period unless an eligible Qualifying Life Event occurs. Application with evidence of insurability for the System's Long Term Care insurance may be made at any time during the plan year. Employees may apply for ERS's Long Term Care program during summer enrollment. Employees may enroll in dental coverage, during their initial 31 days of eligibility or during the annual Summer Enrollment period.

7. Making changes to Insurance or Tex Flex coverage. Outside of the employee's first 31 days of employment, coverage changes can only be made during the annual Summer Enrollment period. If an employee has an eligible Qualifying Life Event as defined by ERS, the employee may be able to make certain changes during the plan year, provided the applicable form is completed in Human Resources within 31 days of the event.
8. Leaves of Absence. Employees who are on leave of absence, or who are not on the payroll for any month, are required to make advance payment. Employees on approved leave without pay can maintain UGIP coverages for a maximum period of 12 continuous calendar months for any reason. An additional 12 months (for a total of 24 months) may be allowed for those on Leave Without Pay for educational purposes as certified by the institution. Employees who are on leave without pay, except for the purpose of Family and Medical Leave without pay, are not eligible to receive the state insurance contribution.
9. Insurance Programs for Reservists/Employees Called to Active Duty. Reservists/employees called to active duty may continue insurance coverage during their military leave of absence without pay for up to 12 months. See Extended Military Leave Policy. (Disability insurance is suspended while on leave of absence without pay.) Reservists/employees are not eligible to receive the monthly state insurance contribution while on leave when the leave encompasses the full calendar month. To continue coverage the reservist/employee must pay the total monthly premium.
  - a. Reservists/employees called to active duty may drop coverage on themselves and/or their dependents while on leave of absence. The reservist/employee may reinstate all insurance coverages that were in effect immediately prior to the commencement of the active duty without evidence of

insurability and/or pre-existing conditions or limitations, provided the reservist/employee returns to work within 90 days of discharge and reinstates coverages within 30 days from the date the reservist/employee returns to work.

- b. Covered dependents of the Reservists/employees who drop coverage while on a leave of absence may apply for continuation of coverage for up to 12 months under the provisions of COBRA. Dependent coverage may be reinstated as indicated above when the reservist/employee returns to work.

10. Insurance Programs for Retirees. Upon retirement from the System, a regular employee may be eligible to continue membership in the Uniform Group Insurance Program for Retirees. Retirees may enroll in health, basic life, optional life, dependent life, and dental coverage by completing the appropriate TRS/ORP Retiree Enrollment Form within 31 days of retirement eligibility. To be eligible for retirement an individual must be at least 55 years of age and have a minimum of ten years of creditable service with the Teacher Retirement System (TRS) or equivalent service in the Texas Optional Retirement Program (ORP) or qualify for retirement benefits based on age plus years of service totaling 80 or more, and must receive or be eligible to receive a retirement annuity from either TRS or ORP. Retirees may continue dependent life and optional life coverage within limits established by the Employees Retirement System.

- a. Once enrolled in the retiree insurance program, the retiree's coverage is administered by the Employees Retirement System of Texas.
- b. The State of Texas contributes each month toward the cost (premium) of each regular retired employee's group medical insurance program. The amount is set by state law.
- c. Employees who become disabled may be eligible for continued coverage in accordance with the rules and regulations of the Employees Retirement System of Texas.

11. Insurance Coverage Continuation.

- a. A surviving spouse and/or dependents who are covered by the group at the time of the death of a retiree or an employee who is at least age 55 with at least 10 years of state service creditable under ORP or TRS (including public junior/community college service), or an employee at any age

with 20 or more years of state service creditable under either ORP or TRS (including public junior/community college service) may, at their option, continue such coverage indefinitely, subject to continued payment of group premiums for the surviving spouse and/or dependents. Upon leaving the group, the spouse and/or dependents have the right to convert to an individual policy without evidence of insurability, if applied for within 31 days of termination of group status.

- b. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 the University offers a continuation option for certain employees and their dependents whose coverage under the group medical plan program would otherwise end. This continuation option is available to persons whose coverage would end on or after October 1, 1986.
  1. Employees and/or their dependents may elect an 18-month continuation if terminating employment (except for gross misconduct) or if reducing the number of hours worked would result in a loss of coverage.
  2. For the purposes of continuation of coverage under COBRA, gross misconduct is defined as, but not limited to, the following:
    - A. Theft, misappropriation of unauthorized use of System funds or property.
    - B. Carrying firearms or other dangerous weapons on System premises.
    - C. Assault of a System employee.
    - D. Conviction of a felony or conviction of a misdemeanor involving moral turpitude.
    - E. Sexual harassment.
    - F. Bringing liquor, marijuana, or narcotics onto the System facilities; or consuming liquor or using marijuana or narcotics on System premises.
  3. Dependents may elect a 36-month continuation if:

- A. Coverage would otherwise end because of the death or divorce or legal separation from the covered employee;
  - B. A dependent child would lose coverage due to plan provisions (for example, reaching a maximum age or due to marriage); or
  - C. If coverage would end due to the employee reaching Medicare eligibility.
- c. In the case of 10.1 or 10.2 the surviving spouse or dependents of COBRA continuations are not eligible for premium sharing contributions.

REFERENCES:

Texas Insurance Code, Chapter 1551, Texas Employees Group Benefits Act (House Bill No. 2, Seventy-Second Legislature of Texas, as amended, 1991), as amended

Rules and Regulations of the Uniform Group Insurance Program administered by the Employees Retirement System of Texas.