Supplemental Life Insurance: Faculty Questions

The Senate received several questions about supplemental life insurance. We wanted to share with you a response to the questions we received and answered for other faculty.

Vanderbilt pays for a basic life insurance policy equal to one times your annual salary (up to $500,000). You may elect additional supplemental coverage of one, two, or three times your annual salary when you are first employed or after beginning employment. If you elect that coverage at your hire date, you would not complete an additional MetLife questionnaire, as long as the total coverage (Vanderbilt’s coverage and your additional purchased coverage) does not exceed $500,000. “For example,” indicated Terri N. Armstrong, director of benefits, “a faculty member earning $100,000 would have a $100,000 basic life insurance policy paid for by Vanderbilt. If she elected additional coverage on her hire date at three times her salary, she would have an additional $300,000 in coverage for total coverage of $400,000.”

If your salary has increased over time since you began your coverage, you might wish to revisit your supplemental life insurance coverage. “For example,” continued Armstrong, “if that same faculty member earned $150,000 after several years of employment at Vanderbilt and continued to elect three times her annual salary for supplemental life insurance, she would receive the maximum amount, $500,000, unless she completed the MetLife statement of health (SOH) form. If she has not completed a SOH, she would be capped at $500,000 in coverage and would only be charged for the difference between the $500,000 cap and the basic amount Vanderbilt pays. However, she would not have the $600,000 in coverage she believes she has because that amount now exceeds $500,000.”

You can change your supplemental life insurance coverage at any time, not just during benefits open enrollment. To increase your coverage beyond $500,000, you need to complete the SOH. The maximum coverage any faculty or staff member can have is capped at $1 million dollars. “Unfortunately, the system is not able to contact people when they cross over the $500,000 limit after beginning coverage and need to complete an SOH for additional insurance. It is important for all faculty and staff to be mindful of this issue if their salary has increased over time and they desire more than $500,000 in total supplemental life insurance,” added Armstrong. To communicate with someone directly about your individual circumstances, please call or e-mail the Employee Service Center.

Employee Service Center
615.343.7000
human.resources@vanderbilt.edu or
human.resources.vumc@vanderbilt.edu

Click here to find out how to see what coverage you have and how to complete an SOH form if desired.