

## LIFE INSURANCE

Servicemembers' Group Life Insurance (SGLI) will continue to cover you for the first 120 days after your separation. Beyond 120 days, it's up to you to buy appropriate life insurance that will provide for the needs of your family and estate. Explore the various life insurance options, including those offered by VGLI. By doing so, you will be able to select one that you feel best suits your needs. When shopping for life insurance, the program you choose should pay:

- » Funeral and related expenses
- » A lump sum to pay off outstanding debts (including your mortgage balance, if you have one)
- » A lump sum to pay your children's college tuition and expenses, if desired
- » Survivor income needs or lost earnings
  - **Survivor Income Needs:** A lump sum for your beneficiary to invest at a modest rate of interest to pay living expenses over and above what your survivor's earned income is expected to be (requires a detailed projection of your survivor's income and expenses), or
  - **Lost Earnings:** A lump sum to replace your earnings during your expected working life. For example: If you are age 45 and earn \$30,000 per year, you would earn approximately \$600,000 by age 65. A rule of thumb is to replace 75% of your lost earnings, which would produce a life insurance requirement of \$450,000, in addition to the other lump sum expenses previously mentioned.

### Servicemembers' Group Life Insurance (SGLI)



#### ELIGIBILITY

SGLI is low-cost term insurance protection for members of the Uniformed Services. Those eligible for SGLI include:

- » All Service members on active duty
- » Ready Reservists
- » Members of the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA) and the Public Health Service (PHS)
- » Cadets and midshipmen of the four Service academies
- » Members of the Reserve Officer Training Corps

SGLI will continue to cover you for the first 120 days after your separation, just as if you were still in uniform. If you are totally disabled at the time of your separation, your SGLI coverage will continue, free of charge, for up to two years from the date of your separation. Following expiration of your SGLI coverage extension, you must make your own arrangements for life insurance. One option is Veterans' Group Life Insurance (VGLI), offered by the VA.

### Traumatic Servicemembers' Group Life Insurance (TSGLI)

All Service members eligible for SGLI are insured for traumatic injury protection of up to \$100,000 unless they decline SGLI coverage. It provides automatic traumatic injury

coverage to all Service members covered under the SGLI program who suffer losses due to traumatic injuries. TSGLI payments range from \$25,000 to a maximum of \$100,000 depending on the type and severity of injury. A flat monthly premium of \$1.00 is added to the monthly SGLI deduction, regardless of the amount of SGLI coverage that the Service member has elected.

TSGLI is not disability compensation and has no effect on entitlement for compensation and pension benefits provided by the VA or disability benefits provided by the DoD. It is an insurance product similar to commercial dismemberment policies.

### Family Servicemembers' Group Life Insurance (FSGLI)



FSGLI coverage is available for the spouses and dependent children of active duty Service members and members of the Ready Reserve insured under SGLI.

The Service member's spouse may obtain coverage up to \$100,000 or an amount equal to the Service members' coverage, whichever is less. Age-based premiums are charged for spouses. Each dependent child of the Service member is automatically insured for \$10,000 free of charge. A member can decline or elect lesser spousal coverage in increments of \$10,000, but may not decline coverage for a dependent child.

### Veterans' Group Life Insurance (VGLI)

Once your SGLI coverage extension ends, you must make your own arrangements for life insurance.

One option is VGLI, which provides for the conversion of SGLI to a term life insurance policy that is renewable every five years, regardless of one's health, and can be retained for life.



#### ELIGIBILITY

You are eligible to apply for VGLI if you are insured under SGLI and:

- » You are being released from active duty or the Reserves or were released within the last year and 120 days.
- » You are a member of the Individual Ready Reserve (IRR) or Inactive National Guard (ING).
- » You are a Reservist who suffers an injury or disability during active duty or inactive duty for training for a period of less than 31 days and become uninsurable at standard premium rates.



You can apply for VGLI within the first 120 days without evidence of good health. After the initial 120 days you have an additional year to apply, but good health requirements must be met.

VGLI provides the amount of SGLI coverage a member had in force at the time of separation from active duty or Reserves. VGLI is issued in multiples of \$10,000 up to a maximum \$400,000. VGLI can be converted at any time to an individual permanent insurance policy (i.e., whole life) with any of 26 participating commercial insurance companies. Since SGLI coverage continues at no cost for 120 days after discharge, VGLI does not take effect until day 121.

VGLI applications are mailed to eligible members on three occasions:

1. Within 60 days after separation
2. Three weeks after the first mailing
3. Fifty-one weeks after separation

### Coverage for Service-Connected Disabled Veterans

Veterans with service-connected disabilities are eligible for the following two additional life insurance programs, Service-Disabled Veterans Life Insurance (S-DVI) and Veterans' Mortgage Life Insurance (VMLI):

#### 1. Service-Disabled Veterans Life Insurance (S-DVI)

Service-Disabled Veterans Insurance is life insurance for veterans who receive a service-connected disability (SCD) rating by the VA. The basic S-DVI program, commonly referred to as "RH Insurance", insures eligible veterans for up to \$10,000 of coverage. Veterans who have the basic S-DVI coverage and are totally disabled are eligible to have their premiums waived. If waiver is granted, totally disabled veterans may apply for additional coverage of up to \$20,000 under the Supplemental S-DVI program. Premiums for Supplemental S-DVI coverage, however, cannot be waived.



#### ELIGIBILITY

You are eligible for S-DVI if:

- » You were released from service under other than dishonorable conditions on or after April 25, 1951, and
- » VA has notified you that you have a SCD, and
- » You are healthy except for your SCD, and
- » You apply within two years of being notified of your SCD.

You are eligible for Supplemental S-DVI if:

- » You have an S-DVI policy, and
- » The premiums on your basic coverage are being waived due to total disability, and
- » You apply within one year of being notified of the waiver, and
- » You are under 65 years of age.

The S-DVI premiums vary depending on your age, type of plan (term or permanent), and the amount of coverage you select.



You may apply for SDVI using the sites listed in the **Resources** section of this chapter.



#### WAIVER OF PREMIUMS

You may be eligible for a waiver if you become totally disabled before your 65th birthday and stay that way for at least six consecutive months. Premiums for Supplemental S-DVI cannot be waived.

*Note: Effective October 1, 2011, the Supplemental SDVI maximum increases to \$30,000.*

## 2. Veterans' Mortgage Life Insurance (VMLI)

Veterans Mortgage Life Insurance is an insurance program that currently provides up to \$90,000 in mortgage life insurance coverage on the home mortgages of veterans with severe service-connected disabilities who:

- » Receive a Specially-Adapted Housing Grant from VA for assistance in building, remodeling, or purchasing an adapted home; and
- » Have title to the home; and
- » Have a mortgage on the home.

The insurance is payable only to the mortgage lender, not to family members. VMLI coverage is available on a new mortgage, an existing mortgage, a refinanced mortgage, or a second mortgage.

VMLI premiums are determined by:

- » The insurance age of the veteran; and
- » The outstanding balance of the mortgage at the time of application; and
- » The remaining length of the mortgage.

*Note: Effective October 1, 2011, the maximum VMLI increases to \$150,000. Ninety days later, on January 1, 2012, the maximum VMLI increases to \$200,000.*

## COMMISSARY AND EXCHANGE PRIVILEGES

The military commissaries and exchanges are integral elements of the military non-pay compensation and benefit package. The commissary and exchange stores are operated at military installations around the world, and offer the same goods, merchandise, and services found in commercial U.S. grocery stores, discount stores and department stores. Eligible patrons of the military commissaries and exchanges consist of military service and family members on active duty; members of the National Guard and Reserves; military retirees; Medal of Honor recipients; honorably discharged veterans with a 100% SCD; U.S. civilian employees of the DoD when stationed overseas; and their dependents.

The commissary system is one of the most valued contributors to the quality of life of our Service members and their families. Active duty members and their families consistently rank the commissary benefit as one of their top benefits, second only to health care.