



YOUR OPTIONS

IMPORTANT ENROLLMENT INFORMATION INSIDE

MetLife[®]

supplemental life insurance



Life Insurance Planner

Take a few moments today to determine if you have enough insurance coverage to protect the people that are important to you. Complete the Life Insurance Planner to figure out how much insurance you may need. Then, turn to the Your Coverage Options section of this booklet to learn what options are available to you.

A

BASIC MONTHLY EXPENSES

These are the everyday expenses your family has to meet on a monthly basis. Decide how long you wish to provide for these expenses before your family is more self-sufficient. Then tally the total annual expense over the period of time you want covered.

Mortgage Payment (If you wish to pay off your mortgage in full, put a "0" here, and list this expense in the "Outstanding Debt" section.) \$ _____

Rent (Not applicable for homeowners) \$ _____

Household Living Expenses (Food, clothing, utilities, repairs, entertainment, etc. On average, approximately \$1,600 per month per U.S. household consisting of 4 people.)* \$ _____

Child Care (Current or potential day care expenses) \$ _____

Insurance Cost (Medical/hospital, dental, auto, home, long-term care: insurance premiums and out-of-pocket expenses) \$ _____

Other Monthly Expenses (Such as school tuition, property taxes, etc.) \$ _____

Total Above for Basic Monthly Expenses = \$ _____

Multiply by 12 for Basic Annual Expenses = \$ _____

Number of Years You Wish to Protect Your Family (It could be 5, 10, 15 years or more.) \$ _____

Multiply Previous Two Lines for Total Basic Expenses: \$ _____

ADDITIONAL EXPENSES TO PLAN FOR

These are additional costs you and your family may have been planning for, so you may want to consider these as well.

College Tuition x Years of Schooling for Each Student in Family (Average annual cost per child, including room/board, books/supplies, transportation and personal expenses is \$22,541 for a private college and \$10,470 for a public college.)* \$ _____

Child's/Children's Wedding(s) (Average wedding cost is almost \$19,000.)** \$ _____

Personal Funeral Expenses (U.S. average is approximately \$8,000.)† \$ _____

Elder Care for Parents x Number of Years (Average annual cost of nursing home care is \$52,100 per person if not covered by insurance††; average stay in a nursing home is 2.6 years.)††† \$ _____

Other Expenses: \$ _____

Add Above for Total Additional Expenses: \$ _____

* The College Board, 2001.

** Source: The Knot, 2001.

† Source: AARP, Funeral and Burial Costs, 2002.

†† Source: Mature Markets Institute Survey, April 2002.

††† Source: Conning & Company, Long-Term Care Insurance — Baby Boom or Bust?, 1999, page 15.

* Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2000.

YOUR NEEDS

OUTSTANDING DEBT

These are committed costs you may wish to pay off in full to protect your family from this burden. Fill in all that apply to your personal situation.

Total Debt (If you desire to pay outstanding balances in full; includes credit cards, car payments, education and home equity loans, etc.) \$ _____

Home: Remaining Mortgage (If you wish to pay off in full. If you wish to provide funds to cover your monthly mortgage payments, put a "0" here, and list this in the "Basic Monthly Expense" section.) \$ _____

Other Obligations: \$ _____

Add Above for Total Outstanding Debt: \$ _____

Add Total Basic Expenses, Total Additional Expenses and Total to Determine: **A** \$ _____
Total All Expenses:

B

ASSETS/SAVINGS

Cash, Savings, Bonds, Stocks, Securities, Personal IRAs (Current value) \$ _____

Employer Savings Plan (401(k), 403(b), or pension; indicate after-tax value for both you and your spouse.) \$ _____

Equity in Your Home (Use this only if you plan to sell or borrow against it for cash.) \$ _____

Current Employer Paid and/or Other Individual Life Insurance \$ _____

Other Assets: \$ _____

Add Above for Total Available Assets: **B** \$ _____

Be sure to take into account any income from your spouse that can be used towards these expenses, as well as any existing life insurance coverage you may have. Remember, the coverage you may already receive from your employer could end if you leave your job, reducing your assets and family's ability to manage these expenses.

DON'T FORGET, your calculation is based on today's costs and doesn't account for inflation or changes in annual earnings. We recommend that you review your coverage periodically — even annually — to ensure that your family's needs will be met now and in the future.

C

A \$ _____
Total All Expenses

-

B \$ _____
Total Available Assets

=

C \$ _____
Total Coverage Needed

This is the amount of life insurance coverage you may need to provide adequate insurance protection for your family.

YOUR LIFE, YOUR OPTIONS

If you're like most people, you may be surprised by the amount of life insurance coverage you may need based on your current situation. Life moves so fast—sometimes we forget how quickly our needs can change. That's why we hope you took the time to complete the Life Insurance Planner located on the previous page. Now all you have to do is choose the Life Insurance coverage that best suits your life. Review your options and take the next step to securing your family's financial future.

YOUR LIFE, YOUR OPTIONS

Group Life Insurance Plan Options for International Monetary Fund (IMF) Employees from January 1, 2004

What you need to know to begin...

The International Monetary Fund realizes that a flexible group life insurance (GLI) offering is a valuable benefit to our staff and their families. From January 1, 2004, the Fund will be implementing a new GLI plan provided by the Metropolitan Life Insurance Company (MetLife). The plan provides several new options and features for both you and your spouse/domestic partner:

Basic Coverage - Life Insurance and Accidental Death & Dismemberment

Your IMF-paid Basic Life Insurance coverage for this enrollment is:

- 1 times your net salary¹, rounded to the next higher \$1,000 up to \$3,000,000 (maximum is combined with Accidental Death & Dismemberment Insurance and Optional Life Insurance coverages).

Your IMF-paid Accidental Death & Dismemberment Insurance coverage in this enrollment is:

- 1.5 times your net salary², up to \$3,000,000 (maximum is combined with Basic Life Insurance and Optional Life Insurance coverages). For more information on this coverage, see “What Does Accidental Death & Dismemberment Insurance Cover?”

In addition to helping you fulfill your insurance needs, this group coverage from MetLife offers you added benefits, including:

- **Affordable group rates.** Rates may be less expensive than those you could get on your own for an individual policy.
- **Payroll deduction.** Your premiums are conveniently deducted from your paycheck, so there's no need to do extra budgeting for payments or to remember premium due dates.
- **An additional protection** that can be used to help your family continue its current lifestyle and help take care of future needs.
- **Flexible amounts of coverage**, so you can determine the right amount of coverage for you and your family.
- **Coverage you can take with you if you separate from the Fund or retire.**
- **An option to accelerate a percentage of coverage in the event of terminal illness.**

Read on to find out more about these options and features.....

Optional Life Insurance & Dependent Life Insurance

The IMF recognizes how important it is to provide you with an initial layer of life insurance protection. That's why the Fund provides Basic Life Insurance from MetLife to all GLI plan participants. However, this coverage alone may not be enough to meet your needs. You may

¹ Net Salary means your annual rate of net pay or net pay equivalent of gross pay, in effect on January 1, May 1, July 1 and November 1 of that year. Net Salary does not include overtime or shift allowance.

² IBID.

YOUR LIFE, YOUR OPTIONS

wish to consider additional coverage for yourself or dependent coverage for your spouse or domestic partner. Here are the available options in the new plan:

Employee Optional Life Insurance coverage in this enrollment is:

- 1 to 7 times your net salary³, up to \$3,000,000 (combined with Basic Life Insurance and Accidental Death & Dismemberment Insurance coverages), coverage is rounded to the next higher \$1,000

Eligible employees electing amounts exceeding \$500,000 (based on their combined Basic Life Insurance, and Optional Life Insurance coverages) must submit a Statement of Health⁴ form. If the amounts in excess of \$500,000 are not approved, coverage is limited to \$500,000.

Optional Life Insurance coverage for yourself will help protect your family's financial future. But what would you do if something happened to your family? While nothing can replace the emotional loss, there are some steps you can take to ease the financial burden such a loss would have on you. For example, how would you recover from the loss of your spouse/domestic partner's income or pay for burial expenses? Fortunately, the MetLife plan gives you the opportunity to obtain coverage for your spouse or domestic partner as well.

Current Dependent Life Insurance participants have the following enrollment options:

- A choice of keeping the current \$5,000 or electing 50% of employee's Optional Life Insurance coverage amount up to \$100,000.
- The employee must enroll in the Optional Life Insurance in order for the dependent to be eligible for coverage.

Eligible employees not enrolled in the current Dependent Life Insurance can elect coverage, as follows:

- 50% of the employee's Optional Life Insurance coverage up to \$100,000.
- The employee must enroll in the Optional Life Insurance in order for the dependent to be eligible for coverage.

For Eligible Employees electing Dependent Life Insurance, amounts up to \$25,000 do not require completion of a Statement of Health.⁵ Amounts in excess of \$25,000 up to \$100,000 require the submission of a Statement of Health form. If the amounts in excess of \$25,000 are not approved, coverage is limited to \$25,000.

To be eligible for coverage, your spouse or domestic partner **must not** be confined at home or under the care of a doctor due to sickness or injury or be receiving or eligible to receive any disability income from any source due to sickness or injury. If you are enrolling your dependent for coverage after his/her initial eligibility period, he/she will need to complete a Statement of Health form for all levels of coverage.

³ Net Salary means your annual rate of net pay or net pay equivalent of gross pay, in effect on January 1, May 1, July 1 and November 1 of that year. Net Salary does not include overtime or shift allowance.

⁴ Instructions for submitting the Statement of Health (SOH) form are included in the GLI Enrollment Instructions. Employees who already have coverage exceeding \$500,000 under the current GLI plan will not need to submit an SOH unless they opt to increase coverage in the new plan.

⁵ Certain amounts of coverage are available without having to answer medical questions, provided that the applicant has not been hospitalized within the 90-days prior to the date of enrollment. The definition of "hospitalized" includes inpatient hospital care, care in a hospice, intermediate or long-term care facility, as well as outpatient hospital care for receipt of chemotherapy, radiation therapy or dialysis treatment. If the applicant has been hospitalized, complete a Statement of Health form for that individual.

YOUR LIFE, YOUR OPTIONS

If you and your spouse/domestic partner are both employees of the IMF, you and your spouse/domestic partner may be covered as an employee or as a spouse/domestic partner, but not as both.

Additional Plan Features

These important additional plan features make your life insurance coverage even more valuable:

- **Accelerated Benefits Option (ABO)**⁶ — Provides an option to receive up to 50% of the life insurance coverage (up to a maximum of \$100,000 each for Basic Life Insurance and Optional Life Insurance) before death if the employee is diagnosed as terminally ill with a life expectancy of 12 months or less. Your remaining coverage amount will be reduced by the percentage of the benefit paid out.
- **Portability Option**⁷ — You can continue your Optional Life insurance coverage should you separate from the International Monetary Fund or are no longer eligible for coverage. You may also continue Dependent Life Insurance coverage for your spouse/domestic partner should you separate from the International Monetary Fund or are no longer eligible for coverage. Although costs may differ, the rates are competitive and you will be billed directly by MetLife. The minimum coverage you can take with you is \$20,000 and the maximum is \$1,000,000.
- **Conversion** — Under certain circumstances, you can convert your term coverage to a MetLife individual permanent policy without evidence of insurability. Covered dependents may also convert.

What Does Accidental Death & Dismemberment Insurance Cover?

Anyone could be injured in an accident. In fact, accidents are the leading cause of death for people under age 35 and the fifth leading cause of death for people of all ages.⁸ An estimated 10.5 million workers in the U.S. suffered disabling injuries on- and off-the-job in 2000.⁹ Fortunately, you can help protect yourself and your family from the financial impact of your accidental death or dismemberment with this insurance.

The IMF recognizes how important it is to provide you with Accidental Death & Dismemberment (AD&D) insurance coverage. AD&D Insurance from MetLife is provided alongside your Basic Life Insurance program and will pay benefits in accordance with the terms of the coverage, should you suffer a fatal accident or should an accident result in your paralysis or the loss of a limb, speech, hearing or sight. Premiums for this insurance are paid entirely by the IMF.

⁶ The accelerated death benefits offered under your certificate are intended to qualify for favorable tax treatment under the Internal Revenue Code of 1986. If the accelerated benefits qualify for such favorable treatment, they will be excluded from your income and not be subject to federal taxation. Tax laws relating to accelerated benefits are complex. You are advised to consult with a qualified tax advisor about circumstances under which you could receive accelerated benefits excludable from income under federal tax law. Receipt of accelerated benefits may affect your eligibility, or that of your spouse/domestic partner or family, for public assistance programs such as medical assistance (Medicaid), Aid to Families with Dependent Children (AFDC), supplementary Social Security income (SSI), and drug assistance programs. You are advised to consult with social services agencies concerning the effect receipt of accelerated benefits will have on public assistance eligibility for you, your spouse/domestic partner or your family. The accelerated life insurance benefit is subject to a Mortality and Interest Charge. Subject to state availability of plan design.

⁷ If your term life insurance under this plan terminates, you will have an opportunity to continue group term coverage ("portability option") OR the right to convert your term coverage to an individual permanent policy ("conversion"). If you elect portable coverage, a new conversion privilege may arise when your portable coverage ends or reduces. Portability is subject to state availability and plan design. In order to continue your dependent coverage, you must have dependent coverage while active.

⁸ National Safety Council (U.S.), Injury Facts, page 10, September, 2001

⁹ ²IBID, page 50.

YOUR LIFE, YOUR OPTIONS

Here's what AD&D Insurance covers:

<u>For the loss of:</u>	Amount payable is based on a percentage of <u>the Full Amount</u> ¹⁰ :
Life as a result of an accident	100%
Hand permanently severed at or above the wrist but below the elbow	50%
Foot permanently severed at or above the ankle but below the knee	50%
Arm permanently severed at or above the elbow or a	75%
Leg permanently severed at or above the knee	75%
Sight in one eye	50%
Any combination of hand, foot or sight of one eye	100%
Speech and hearing	100%
Speech or hearing	50%
Thumb and index finger of the same hand	25%
<u>Covered losses also include:</u>	
Paralysis of both arms and legs	100%
Paralysis of both legs	50%
Paralysis of one arm or leg	25%
Paralysis of one arm and leg on either side of the body	50%

These important plan benefits make your AD&D coverage even more valuable:

- **Air Bag Benefit** - Provides an additional benefit if an air bag is deployed for the covered person during an accident in which the covered person dies as a result of the accident while driving or riding in a passenger car and wearing a properly fastened Seat Belt, MetLife will pay an additional 5% of the Accidental Death benefit up to a maximum of \$10,000 and a minimum of \$1,000. *Passenger Car means any validly registered four-wheel private passenger car. It does not include any commercially licensed car or any private car being used for commercial purposes, or any vehicle used for recreational or professional racing. Seat belt is the restraint device that meets published United States government and safety standards, is properly installed by the car manufacturer and is not altered after installation. Seat belt also includes the child restraint device that meets the requirements of state law.*
- **Common Carrier Benefit** - Pays an additional benefit equal to 100% of the Full Amount if a covered person should die as a result of an accidental injury while traveling in a Common Carrier. *Common Carrier means a government regulated entity that is in the business of transporting fare-paying passengers. This does not include chartered or other privately arranged transportation, taxis, or limousines.*
- **Child Care Benefit** - Provides an additional amount equal to the Child Care Center charge up to a maximum of \$5,000 per year and an overall maximum of 12% of the Full Amount for each eligible dependent child, 12 years of age or younger, to attend a licensed child care center for up to 4 years as long as your child is enrolled in a child care center at the time or enrolls within 12 month(s) of the Employee's accidental death. If no child qualifies, \$1,000

¹⁰ Full amount is the scheduled dollar benefit amount for an accidental death (150% of net salary).

YOUR LIFE, YOUR OPTIONS

will be paid to your beneficiary. *Child Care Center is a facility that is operated and licensed according to the law of the jurisdiction where it is located and provides care and supervision for children in a group setting on a regularly scheduled and daily basis.*

- **Child Education Benefit** - Provides an additional benefit equal to the tuition charges for each eligible dependent child to attend college or another accredited institution for up to 4 years as long as the child is enrolled in an accredited institution at the time of the employee's accidental death. The benefit amount will not exceed \$10,000 per year and an overall maximum of 20% of the Full Amount for all children. If no child qualifies, \$1,000 will be paid to the beneficiary.
- **Hospital Confinement Benefit** - Pays an additional monthly benefit equal to 1% of the Full Amount if a covered person is confined in a Hospital as a result of an accidental injury. Benefits begin on the 5th day of continuous confinement and is subject to a monthly limit of \$2,500 and a maximum duration of 12 months. *Hospital means a facility which is licensed as such in the jurisdiction in which it is located; and provides a broad range of medical and surgical services on a 24 hour a day basis for injured and sick persons by or under the supervision of staff of Physicians; and provides a broad range of nursing care on a 24 hour a day basis by or under the direct of a registered professional nurse.*
- **Portability Option**¹¹ — You can continue your AD&D coverage should you leave the IMF or are no longer eligible for coverage. Although costs may differ, the rates are competitive and you will be billed directly by MetLife. The minimum coverage you can take with you is \$20,000.
- **Seat Belt Benefit** — Provides an additional benefit of 10% up to a maximum of \$25,000 with a minimum of \$1,000 if a covered person should die from injuries sustained in an accident while driving or riding in a private passenger car and wearing a properly fastened seat belt.

Frequently Asked Questions About Your Coverage Options

Q. I don't currently have any life insurance coverage at all. Can I get coverage in the Fund's GLI plan after the enrollment period has ended?

A. Yes. However, if you wait until after enrollment closes and have been a Fund employee for more than 31 days, you must submit a Statement of Health form to obtain any level of coverage in the Fund's GLI plan (Basic, Optional or Dependent). Contact the HR Center by e-mail (hrcenter@imf.org) or phone (202-623-7383) for information about enrolling after the enrollment period has ended.

Q. Can I change my coverage amount after the enrollment period?

A. Yes. If you have a qualifying event, you can increase your Optional Life coverage without submitting a statement of health form for amounts up to \$500,000, as long as you request the change within 60 days of the qualifying event. Amounts in excess of \$500,000 will require that you complete a Statement of Health form. A qualifying event includes: marriage; the birth, adoption or placement for adoption of a dependent child; divorce, legal separation or annulment; the death of a dependent; a change in your or your spouse/domestic partner's employment status such as beginning or ending employment.

¹¹ Portability option is subject to state availability and plan design.

YOUR LIFE, YOUR OPTIONS

Increases in coverage, outside of the above qualifying events, are possible for Optional Life Insurance and Dependent Life Insurance as long as you submit a Statement of Health form.

Q. Will my coverage change when my net salary changes?

- A. Yes. If your net salary¹² changes, your coverage amount will be adjusted accordingly, (subject to coverage eligibility guidelines and plan limits) and will normally become effective first of the month following the change.

Q. Who can be a designated beneficiary(ies)?

- A. You can select any beneficiary(ies) other than your employer, and you may change your beneficiary(ies) at any time. You can also designate more than one beneficiary. The employee is automatically the beneficiary for dependent coverage.

Q. How will my beneficiary(ies) be paid?

- A. Your beneficiary(ies) have a choice of receiving immediate access to insurance proceeds through a Total Control Account[®] or receiving a check in the amount of the insurance benefit. The Total Control Account (TCA) earns interest on the proceeds at competitive money market rates and is fully guaranteed by MetLife. The beneficiary(ies) receives a checkbook and monthly statements and has free check-writing privileges. There are no maintenance fees. A special toll-free customer service line handles all questions and requests. All benefit amounts of \$5,000 or more are paid out through a TCA.

Q. What is not covered?

- A. Optional and Dependent Life insurance does not provide payment of benefits for death caused by suicide within the first two years (one year in North Dakota) of the effective date of the certificate, or payment of increased benefits for death caused by suicide within two years (one year in North Dakota) of an increase in coverage. (This exclusion does not apply to Dependent Life insurance).

AD&D does not include payment for any loss which in any way results from or is caused by or contributed to by: physical or mental illness; diagnosis of or treatment of the illness; an infection, unless caused by an external accidental wound; suicide or attempted suicide; intentionally self-inflicted injury; the use of any drug, medicine or sedative, unless it is taken or used as prescribed by a Physician or an over-the-counter drug taken as directed; war, whether declared or undeclared; or an act of war, insurrection, rebellion, riot or terrorist act; committing or trying to commit a felony; any poison or gas voluntarily taken, administered or absorbed; service in the armed forces of any country or international authority, except the United States National Guard; operating, learning to operate or serving as a member of a crew of an aircraft; while in any aircraft operated by or under any military authority (other than the Military Airlift Command); while in any aircraft being used for a test or experimental purposes; while in any aircraft used or designed for use beyond the Earth's atmosphere; while in any aircraft for the purpose of descent from such aircraft while in flight (except for self-preservation); or driving a vehicle while intoxicated as defined by the laws of

¹² Net Salary means your annual rate of net pay or net pay equivalent of gross pay, in effect on January 1, May 1, July 1 and November 1 of that year. Net Salary does not include overtime or shift allowance.