

# Group Life Insurance Plan

*For Employees of Farm Credit Foundations*

Invest  
in the future

*Underwritten by Minnesota Life*

*Important insurance enrollment materials*





Dear Farm Credit Foundations Employee,

To help you protect your family's financial future, Farm Credit Foundations offers the following group life insurance coverage options through Minnesota Life:

- Employee Group Universal Life insurance
- Spouse Group Universal Life insurance
- Basic Term Life and AD&D insurance
- Optional Basic Term Life and AD&D insurance
- Child Term Life insurance
- Voluntary AD&D insurance for you and your family

### **Use LifeBenefits to enroll**

You may make your coverage elections on [www.lifebenefits.com](http://www.lifebenefits.com) using the following access information:

**User ID:** FC + your six-digit Ceridian Clock Number  
**Initial Password:** Your eight digit date of birth + the last four digits of your Social Security number

After you enroll, you may use the LifeBenefits web site to manage your life insurance coverage and beneficiary information.

### **Questions?**

Minnesota Life representatives will be available to answer your questions and assist you with enrollment. Please call 800-843-8358, Monday through Friday, from 7:00 a.m. to 6:00 p.m. Central Time.

Sincerely,

Minnesota Life  
Group Customer Service



## Your life insurance plan overview

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### Basic Term Life, Optional Basic Term Life and Child Group Term Life Coverage

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<b>Basic Life</b>	<ul style="list-style-type: none"><li>• Farm Credit Foundations provides you with one times your total compensation in Basic Term Life insurance and a matching amount of Accidental Death and Dismemberment (AD&amp;D) coverage.</li></ul>
<b>Optional Basic Term Life</b>	<ul style="list-style-type: none"><li>• You have the opportunity to elect an additional one times your total compensation in employee-paid Optional Basic Term Life insurance to a maximum of \$1,500,000 (basic and optional basic combined) and a matching amount of AD&amp;D coverage.</li><li>• Optional Basic Term Life insurance is guaranteed – no health questions or medical exam required – if elected within 31 days of your initial eligibility or within 45 days of your hire date.</li></ul>
<b>Child Term Life</b>	<ul style="list-style-type: none"><li>• You may elect \$5,000, \$10,000, \$15,000, \$20,000 or \$25,000 of Term Life insurance for each dependent child.</li><li>• All dependent child coverage is guaranteed – no health questions or medical exam required – if elected within 31 days of the child’s initial eligibility or within 45 days of your hire date.</li></ul>

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### Group Universal Life (GUL) Coverage

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<b>Insurance for you</b>	<ul style="list-style-type: none"><li>• You also have the opportunity to elect GUL coverage. GUL coverage is available in multiples of your total compensation, from one to ten times to a maximum of \$1,500,000.</li><li>• GUL coverage of one times your total compensation up to a maximum of \$500,000 is guaranteed – no health questions or medical exam required – if elected within 31 days of your initial eligibility or within 45 days of your hire date.</li></ul>
<b>Insurance for your spouse</b>	<ul style="list-style-type: none"><li>• Your spouse is eligible to elect GUL coverage in increments of \$25,000 up to \$250,000.</li><li>• Spouse GUL coverage of up to \$50,000 is guaranteed – no health questions or medical exam – if elected within 31 days of your spouse’s initial eligibility or within 45 days of your hire date.</li></ul>

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### Voluntary Accidental Death and Dismemberment (AD&D) Insurance

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<b>Employee or Employee and Family Coverage</b>	<ul style="list-style-type: none"><li>• You can elect coverage in increments of \$25,000 up to a maximum of \$750,000.</li><li>• If you elect coverage for yourself, you also have the option of electing coverage for your family. Coverage amounts for your family are based on a percentage of your amount of Voluntary AD&amp;D insurance.</li></ul>
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## Plan features

<b>Accelerated benefit<sup>+</sup></b>	<ul style="list-style-type: none"><li>Up to 100 percent of the policy's face amount, to a maximum of \$1,000,000, can be paid as an accelerated benefit if the insured person becomes terminally ill.</li></ul>
<b>Cash value account<sup>*</sup></b>	<ul style="list-style-type: none"><li>In addition to life insurance protection, GUL gives you the option to set aside money in the cash value account. With GUL, the money earns a fixed rate of interest and grows tax-deferred – you don't pay taxes on any earnings unless you withdraw more than you've contributed.</li></ul>
<b>Convenience<sup>+</sup></b>	<ul style="list-style-type: none"><li>Life insurance premium payments and contributions to the cash value account are automatically payroll deducted. You never need to worry about a late or missed premium payment.</li></ul>
<b>Portability<sup>*</sup></b>	<ul style="list-style-type: none"><li>If you no longer meet the eligibility requirements as an active employee under the plan, you may take the coverage with you.</li></ul>

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## Additional Services

<b>Beneficiary Financial Counseling<sup>+</sup></b>	<ul style="list-style-type: none"><li>Upon the death of a loved one, beneficiaries may take advantage of independent financial counseling services from PricewaterhouseCoopers LLP.</li></ul>
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\* Only applies to Group Universal Life coverage

+ Applies to all life insurance coverage

Services provided by PricewaterhouseCoopers LLP are their sole responsibility. The services are not affiliated with Minnesota Life, Securian Life or their group contracts and may be discontinued at any time.



# Your life insurance benefits from Farm Credit Foundations

## *Life insurance that changes with you*

As your personal and financial obligations grow, so does your need for life insurance protection. When you marry, buy a home or have children, you need an affordable, flexible way to protect the lifestyle you've built.

## Who is eligible?

All full-time and part-time employees actively working a minimum of 20 hours per week on a consistent basis are eligible to apply for coverage. If you are not actively at work on the date your coverage would otherwise become effective, the new insurance or increase in insurance amount will be delayed until you return to active employment.

## Coverage options

- **Employer-Paid Basic Term Life and matching Accidental Death and Dismemberment (AD&D)** insurance is automatically provided to eligible employees. The amount is equal to one times total compensation.
- **Employee-Paid Optional Basic Term Life and matching AD&D** insurance is also available. Eligible employees can elect one times total compensation in Optional Basic Term Life insurance coverage. Premiums are paid by the employee.
- **Group Universal Life (GUL)** insurance is life insurance protection to help secure the future for those who depend on you. You can insure yourself and your spouse. Group Universal Life also has a savings component. You can make additional voluntary premium contributions to the cash value account and earn a fixed rate of interest. These additional savings can help you meet future financial opportunities and obligations – expected or unexpected. You may use the money for whatever you choose, and you aren't taxed on withdrawals until you withdraw more money than you've contributed.

After enrolling in the Group Universal Life plan you may elect to increase or decrease your coverage amount, change the amount of your monthly cash value account contribution or add spouse coverage.

And, as your total compensation increases, your coverage increases automatically up to the \$1,500,000 maximum. No evidence of insurability is required for increased coverage resulting from a salary increase.

- **Child Term Life** insurance is available for your dependent children age 14 days up to age 19, or age 25 if a full-time student at an accredited educational institution. You can elect coverage in amounts of \$5,000, \$10,000, \$15,000, \$20,000 or \$25,000.
- **Voluntary Accidental Death and Dismemberment (AD&D)** insurance pays a benefit if you die or suffer certain injuries as the result of a covered accident. This protection covers you when you are on business, on vacation or at home. The accidental death benefit is available in \$25,000 increments. Amounts in excess of \$250,000 cannot exceed ten times your current base pay to \$750,000. All Voluntary AD&D coverage is guaranteed – no health questions or medical exam is required. The extent and nature of your loss determines the dismemberment benefits according to the schedule in the policy.

## When will coverage be effective?

To take advantage of guaranteed amounts, you must enroll within 31 days of your initial eligibility or within 45 days of your hire date. If you apply for a guaranteed amount of coverage before the 15th of the month, your coverage is effective the first day of the next month. If you apply for a guaranteed amount after the 16th of the month, your coverage is effective the first day of the month following the next month. If you apply for more than the guaranteed amount of insurance, the additional amount will become effective on the first day of the month following the date you are approved and the new premium will be deducted from your next paycheck.



## If you become terminally ill

If you become terminally ill with a life expectancy of 12 months or less, the Accelerated Death Benefit feature allows you to elect a lump-sum advance of up to 100 percent of your total death benefit, up to a maximum of \$1,000,000, in lieu of the death benefit being paid to the policy beneficiary.

This benefit applies to Basic and Optional Basic Term Life, Employee GUL, Spouse GUL and Child Group Term Life insurance.

## If you terminate or change to an ineligible status

When you retire or leave Farm Credit Foundations you may keep some of the insurance coverages for which you're eligible by paying premiums directly to Minnesota Life. Employees may elect to continue all or a portion of their Employee GUL and Spouse GUL insurance. The premium you pay may increase.

## Choosing a beneficiary

Designating your beneficiary is an important right of life insurance ownership – it allows you to determine who receives your policy benefits. Under current tax law, life insurance benefits paid to a beneficiary are not taxable income. Some common beneficiary choices are:

- **Primary beneficiary:** The person or persons named will receive the policy benefits.
- **Contingent (Secondary) beneficiary:** Policy benefits will be paid to the contingent beneficiary(ies) if the primary beneficiary(ies) is not living.
- **Default beneficiary:** If you do not name a beneficiary, policy benefits will be paid in order of the policy's default beneficiary definition, as follows – spouse, children, parents, brothers and sisters, your estate.

## What is cash value?

Your GUL insurance through Farm Credit Foundations has a cash value feature. This feature lets you contribute premium in addition to the amount you pay for your insurance coverage. The money can stay in the policy to increase the death benefit or be used during your lifetime for long-term financial goals, such as health care, retirement, college, a down payment on a home, remodeling or any other expense.

Building cash value in a group life insurance policy is attractive because:

- You can start, change or stop contributions at any time.
- You can make contributions through the convenience of payroll deduction or send lumpsum contributions to Minnesota Life at any time.
- Your after-tax contributions grow tax deferred at a competitive rate of interest – guaranteed at a minimum 4 percent.
- You may access cash accumulated in the policy by withdrawal or loan for any reason.

## How does it work?

The monthly premium contributions you choose to make to the cash value account are deducted from your paycheck along with your premium for the cost of the life insurance. Contributions are deposited less a 3.00 percent premium charge. These contributions grow tax deferred in Minnesota Life's Guaranteed Account and earn a fixed rate of return guaranteed not to fall below 4 percent.



## Use your cash value when you want

Most people think of life insurance only as a legacy – something that gets left behind after they die. But if you're saving for the long term, you can build cash in your GUL policy to use during your lifetime.

You are not taxed on any earnings until you withdraw more than you've contributed to the policy. Withdrawals and loans reduce the policy's total death benefit, which is a combination of the policy's face amount and any cash value. Your policy may lapse if a premium payment is missed and there is not sufficient cash value in the policy to cover it.

Here are a few other things to keep in mind:

- The minimum withdrawal is \$100.
- The minimum loan amount is \$100. You don't have to pay the loan back, but interest continues to be added to any outstanding loan balance.

Minnesota Life charges 8 percent interest and credits back 6 percent.

## Run a cash value illustration

To see how cash value builds with additional amounts you contribute, go to [www.lifebenefits.com](http://www.lifebenefits.com) and use the cash value calculator.



# Insurance calculator

## How much insurance do I need?

Before buying life insurance, you should bring together your personal financial information and review your family’s needs. There are a number of factors to consider when determining how much protection you should have.

These include:

- Any immediate needs at the time of death, such as final illness expenses, burial costs and estate taxes;
- Funds for a readjustment period, to finance a move or to provide time for family members to find a job; and
- Ongoing financial needs, such as monthly bills and expenses, daycare costs, college tuition or retirement.

Some financial experts suggest carrying life insurance protection equal to five to seven times your annual take home pay, plus an additional one-times your annual salary for each child under 18. Use this worksheet to help you determine your needs.

## Insurance needs calculator

### I. Monthly expenses

How much a month would your family need for mortgage or rent? \$ \_\_\_\_\_

How much a month would your family need to pay for all other debt — utilities, car payment, credit cards, personal loans or daycare? \$ \_\_\_\_\_

A. **Total monthly expenses** \$ \_\_\_\_\_

B. **Total annual expenses** (Line A x 12) \$ \_\_\_\_\_

C. Estimate the number of years your family will need this income \_\_\_\_\_

D. **Total current income replacement needs** (Line B x Line C) \$ \_\_\_\_\_

### II. Additional expenses

What additional expenses would your family incur in the event of your death — funeral expenses, legal fees or unpaid medical expenses? \$ \_\_\_\_\_

Estimate the total cost of your children’s education \$ \_\_\_\_\_

E. **Total additional expenses** \$ \_\_\_\_\_

### III. Current assets

Estimate the amount of personal savings, life insurance or other assets you already have in place \$ \_\_\_\_\_

Estimate any Social Security benefit you anticipate receiving \$ \_\_\_\_\_

F. **Total current assets** \$ \_\_\_\_\_

### IV. Need for additional life insurance

Generally, your current assets less your income replacement needs and additional expenses equal the amount of coverage needed

G. **Total current assets** (amount from Line F) \$ \_\_\_\_\_

H. **Total current income replacement needs and expenses** (Line D + Line E) \$ \_\_\_\_\_

**Additional life insurance needs** (Line G – Line H) \$ \_\_\_\_\_



## Premium Rates

### Employee & Spouse Group Universal Life Rates

Age	Rates per \$1,000 of coverage per month
Under 25	\$0.038
25 – 29	0.038
30 – 34	0.045
35 – 39	0.050
40 – 44	0.075
45 – 49	0.105
50 – 54	0.165
55 – 59	0.270
60 – 64	0.420
65 – 69	0.683
70 – 74	1.665
75+	2.530

#### Child Term Life

\$.120 per \$1,000 of coverage per month

#### Voluntary Accidental Death and Dismemberment Rates

Employee Only:

\$.525 per \$25,000 of coverage

Employee and Family:

\$.800 per \$25,000 of coverage

#### Optional Basic Life and Accidental Death and Dismemberment Rates

\$.13 per \$1,000 of coverage

## Calculating your premium

### Example

A 42-year-old employee who earns \$50,000 per year, elects three times his total compensation in Group Universal Life coverage, \$100,000 of Group Universal Life for his 38-year-old spouse and \$15,000 of term insurance for each of their three children.

#### Group Universal Life for employee

Number of insurance units (\$150,000/\$1,000)		150
Rate per \$1,000	X	<u>\$.075</u>
<b>Monthly premium</b>		<b>\$11.25</b>

#### Group Universal Life for spouse

Number of insurance units (\$100,000/\$1,000)		100
Rate per \$1,000		<u>\$.050</u>
<b>Monthly premium</b>		<b>\$5.00</b>

#### Child term insurance

Number of insurance units (\$15,000/\$1,000)		15
Rate per \$1,000 (one premium covers all children in the family)		<u>\$.120</u>
<b>Monthly premium</b>		<b>\$1.80</b>
<b>Total monthly premium</b>		<b>\$18.05</b>



## **It's easy! Enroll for life insurance for yourself and your dependents using our LifeBenefits online tool.**

Gather necessary information before you begin:

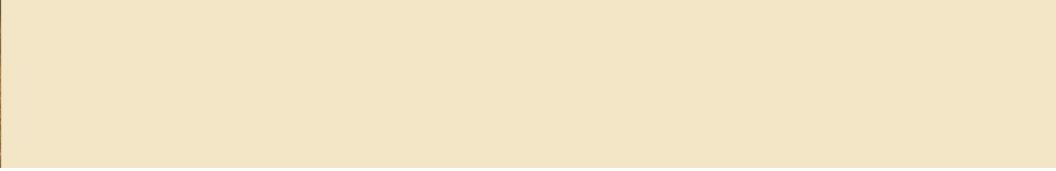
- Your User ID and initial password.
  - User ID: FC + your six digit Ceridian Clock Number (e.g., FC123456) Note: Your Ceridian Clock Number is provided to you by your Farm Credit HR Representative.
  - Initial password: Your date of birth + the last four digits of your Social Security Number (e.g., MMDDYYYY####).
- Social security number for you and your spouse.
- If you are enrolling for coverage over your guaranteed issue amount, you will need:
  - Name and address of physicians, hospitals and clinics visited in the past three years.
  - Reason for visits, diagnosis, etc.
  - Full name and Social Security number of any beneficiary you wish to designate.

Log on to [www.lifebenefits.com](http://www.lifebenefits.com) using your User ID and initial password listed above. Follow the instructions on the web site to enroll for Optional Basic Term Life, Child Term Life, Group Universal Life and Voluntary AD&D insurance for yourself and your dependents.

**Note:** Use LifeBenefits to designate and manage your beneficiaries for all life coverages you are enrolled in through Minnesota Life.

### **Questions?**

- If you have questions about your coverage options or the enrollment process, visit the “Help” section of LifeBenefits, call Minnesota Life at 800-843-8358 or e-mail [lifebenefits@securian.com](mailto:lifebenefits@securian.com).



## About Minnesota Life

### Minnesota Life is:

- A leader in the group life insurance industry, providing group life insurance since 1917.
- Among the most highly rated insurance companies in the country. For current ratings, see our web site, under “About Us.” Ratings for financial strength and claims-paying ability are important; however, they are not reflective of the performance of any registered securities or variable subaccounts.
- Customer service-oriented. We combine people and technology to provide you with the best service possible.

**A+** (Superior)

A. M. Best  
(second highest of 16 ratings)

**AA-** (Very strong)

Fitch  
(fourth highest of 19 ratings)

**AA-** (Very strong)

Standard & Poor's  
(fourth highest of 21 ratings)

**Aa3** (Excellent)

Moody's Investors Service  
(fourth highest of 21 ratings)

*As of December 2009, Minnesota Life was rated A+ (Superior) by A.M. Best for financial condition (second highest of Best's 16 ratings), AA- (Very strong) by Standard & Poor's for financial strength and credit quality of debt issues (fourth highest of 21 ratings), AA- (Very strong) by Fitch for claims-paying ability of life, health, property casualty, bond and annuity insurers (fourth highest of 19 ratings), and Aa3 (Excellent) by Moody's Investors Service for insurance financial strength (fourth highest of 21 ratings).*



Farm Credit  
Foundations

Underwritten by Minnesota Life Group Insurance  
400 Robert Street North  
St. Paul, MN 55101-2098

***Prepared for Farm Credit Foundations***

This product is offered under the policy form series 06-30921, MHC-96-13180.22 and 02-30428.22.

If there are any differences between these materials and the policy or certificate, the policy and certificate govern.

**MINNESOTA LIFE**

Minnesota Life Insurance Company  
A Securian Company

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