Beneficiary Designation Guide

Employer-Sponsored Life Insurance Programs

You have chosen to participate in the term life insurance program sponsored by your employer.

An important part of the benefit program is the designation of a beneficiary. By designating a beneficiary, you control the distribution of your life insurance benefits upon your death. To be sure your intentions are clear, fill out the beneficiary designation form, which can be found under "Forms" on mydearborngroup.com: write clearly, sign and date the form, and submit it to your Human Resources department. Once accepted by Human Resources, the designation will be valid. These same steps apply if you choose to change your beneficiary designation.

Primary and Contingent Beneficiaries

Please be sure to designate both primary and contingent beneficiaries. Upon your death, the primary beneficiary (or beneficiaries, if you choose more than one) will receive any payable death benefits. The contingent beneficiary (or beneficiaries) will receive death benefits ONLY if all primary beneficiaries have predeceased you.

You may choose to have your beneficiaries share the benefits equally or you may apply different percentages to each. If no primary or contingent beneficiaries survive you, or if you have not named a beneficiary, death benefits are paid to:

- Your spouse or certified domestic partner, if living
- Your children, if living, in equal portions
- Your parents, if living, in equal portions
- Your brothers and/or sisters, if living, in equal portions

If none of the above applies, to your estate:

- You may designate any of the following as your primary or contingent beneficiary:
- A person or persons
- An institution, charity or corporation (you may not name your employer or policyholder)
- Your estate (upon your death, Letters Testamentary or Letters of Administration appointing a personal representative of your estate will be required)

If you want to name a minor as a beneficiary, use a trust agreement to make a beneficiary designation. If you are acting as a power of attorney on behalf of an employee making a beneficiary designation, please refer to the FAQ.

You may obtain a copy of your beneficiary designation by contacting your Human Resources department.

Beneficiary Designation Tips

Use proper names. Nicknames can be confusing. When naming a married female as beneficiary, be certain the proper name is given (e.g. Angela J. Harmon, not Mrs. John R. Harmon).

Use specific names. The phrase "my children" can be vague and ambiguous. Does it mean "my children living at the time I completed this form," or "my children living at the time of my death"?

Secure your spouse's consent if you are not naming your spouse as a beneficiary and you reside in a community property state. Community property states currently are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

Make a copy of your completed Designation of Beneficiary form before submitting it to Human Resources and periodically review it to make sure all your beneficiary information is correct. It is especially important to update this information after a life event such as a birth, marriage, divorce or death.

Complete this form with an ink pen. Human Resources will not accept a form completed in pencil.

Don't use "white out" or cross out names to make changes in designation; doing so could invalidate the form.

Human Resources asks that you read the beneficiary designation form document carefully to ensure that your wishes are properly and validly carried out.

Frequently Asked Questions About Designating Beneficiaries

1. How many times may I change my beneficiary designation?

You may change the beneficiary designation for group life insurance as often as you wish and at any time. A change should be considered any time you experience a significant life event, such as a birth, marriage, divorce or death. This change is not valid until it is accepted by Human Resources.

2. I am not comfortable giving my beneficiary's Social Security number. Is it required?

The Social Security number is not required; however, the beneficiary will be required to provide it at time of the claim. It will be used to help positively identify your beneficiary.

3. Can my power of attorney complete my beneficiary form, and can he or she name himself or herself as beneficiary?

Yes, if the Power of Attorney documents *specifically* state that you have delegated this right. If you wish the Power of Attorney to be able to name him or herself as beneficiary, the Power of Attorney document must also *specifically* state that you have delegated this right. Most standard Power of Attorney documents do not include a designation of these rights. Please carefully review your Power of Attorney documents. You may wish to consult with your attorney for further advice.

4. I am in the process of getting divorced. How should I word my form?

Since each divorce case (or dissolution of a civil union) is different and can be complex, we suggest discussing your beneficiary designation with your attorney at the time the divorce/dissolution paperwork is filed and again after the final decree has been issued.

5. I am considering setting up a trust; may I name a trust as beneficiary?

You may choose to designate an established trust to receive your group life insurance benefit. If you elect to do so, you MUST provide the name and date of the trust and the name and address of the trustee to contact upon your death. You do not need to provide a copy of the trust documents with your Designation of Beneficiary form, but the trustee will have to present them at the time of the claim.

6. I would like to name a minor child as beneficiary. What happens if I die and the child is still a minor at the time of my death?

If you name a minor as a beneficiary:

1. The benefits can be held on behalf of the minor at a nominal interest rate until the minor becomes of legal age.
2. Depending on the law in the minor's state of residence, you may be able to put the funds in a Uniform Transfer to Minors Act (UTMA) account that you set up.
3. A guardian of the minor's estate may submit appropriate documentation to direct distribution of the benefits.

State law varies widely on this matter and should be consulted before making any decision.

7. I named my three grandchildren to be sole heirs in my will. Will this ensure that any life proceeds are distributed to them?

A will is a separate document. Life insurance benefits will be paid according to the most current beneficiary designation form on file with Human Resources.

For employee use only. For illustrative purposes onlyand is not intended to provide legal advice. May not be available in all jurisdictions. Always consult an attorney if you have questions or concerns about the subject matter in this document. If there is a conflict between the terms and conditions of the insurance policy and certificate and the statements in this document, the policy and certificate will control. Coverage may be subject to limitations, exclusions and other coverage conditions contained in the issued policy. Please consult the policy for the actual terms of coverage.

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