

By *Linda Duncan*

Federal Employees' Retirement Planning Guide  
<http://federalretirement.net>

## Understanding FEGLI Coverage - Part 1

Life insurance is often the last thing a federal employee thinks about when deciding to retire. After all, you are looking for a great escape not your last hoorah. Yet, making uninformed FEGLI decisions prior to retiring can make it very difficult for your loved ones.

What you should know about your Federal Employees Group Life Insurance (FEGLI) coverage:

- FEGLI is a term insurance policy, but it is unusual because it never has to be renewed, and you never have to provide health information to continue your current coverage. It is a term policy because the costs increase periodically and there is no accumulation of cash value.
- The FEGLI basic insurance costs do not increase with age and this basic insurance is subsidized by the government.
- As part of the basic insurance, additional coverage is provided at no extra cost for those under age 45. This additional coverage decrease incrementally between the ages of 35 through 45.
- Accidental death and dismemberment insurance is provided at no additional costs as part of the basic insurance coverage.
- The cost of the FEGLI optional insurance (A, B, C) increases significantly in your 40's. The optional insurance amounts are group rates that are not subsidized by the government. Therefore, you may be able to find better rates elsewhere.
- The cost and the amount of coverage both increase when your salary increases.
- FEGLI coverage is provided by Met Life.

Not sure how much FEGLI coverage you have? In block 27 of your SF-50 Notification of Personnel Action, or on your Leave and Earning Statement, it will list the coverage options you selected. Then go to the FEGLI calculator available at <http://www.opm.gov/calculator/worksheet.asp> to determine the dollar value of the insurance.

Print a copy of the insurance amount every year to keep with your will and use the document to see if this insurance is still cost effective and meets your needs.

When was the last time you looked at the amount of your FEGLI coverage, or other life insurance coverage, to determine how much life insurance you need? When have you compared the costs of the insurance to other insurance options available? Everyone should re-evaluate their life insurance needs periodically and have someone they trust to review their insurance needs and options. If you decide to purchase insurance from an insurance provider other than FEGLI, be sure it is a reputable company with a great financial rating. Review our [FEGLI online](#)

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## A LIFE INSURANCE CHECK-UP: UNDERSTANDING FEGLI COVERAGE – PART 1

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[guidance](#) and [Survivor Concerns](#) pages that discuss insurance options and links to insurance company rating services.

Part two of this series titled “Evaluating Your Life Insurance Needs” will help you assess your needs and review your existing coverage to see where you stand.

*The information provided may not cover unique or special circumstances and federal regulations are subject to change. To ensure the accuracy of this information, contact your HR specialist or benefits coordinator and ask them to review your official personnel file and circumstances concerning this issue. Retirees can contact the OPM retirement center.*

Visit <http://federalretirement.net> often to learn more about retirement options, benefits, and estate planning issues and I suggest signing up to receive my [FREE monthly benefits newsletter](#).

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<http://federaljobs.net> (Federal Career & Job Center)

<http://federalretirement.net> (FREE Retirement Planning Guide)

<http://federalretirement.net/jobs.htm> (Retiree Job Opportunities)

<http://fedcareer.info> (Career Development Center)

<http://postofficejobs.info> (Postal Career Center)

<http://ehsjobs.org> (Environmental Health & Safety Job Center)

<http://stolenplates.com> (What to do if this happens to you)

[Educational Opportunities](#) (Find educational opportunities in your area)