

# IAC

## ABOUT INDIVIDUAL ASSURANCE COMPANY, LIFE, HEALTH & ACCIDENT

For more than 50 years, **IAC** has served communities and groups across the United States and in the Pacific islands by offering affordable life, health, and accident insurance products to residents and members.

**IAC** is proud of our long and prosperous relationship with the Commonwealth of the Northern Mariana Islands.

### IAC Authorized Agent:

#### **American Pacific Insurance, LLC.**

DONALD BARCINAS

Unit 107 CEDA Building,  
Beach Road, Saipan MP

P.O. Box 5073 CHR  
Saipan, MP 96950

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### PROGRAM FEATURES

#### **Eligibility**

New Employees may enroll when hired or as deemed eligible by their employer. Retirees are eligible for enrollment upon retirement from a covered employer. Optional coverage is available for eligible dependents for an additional charge.

#### **No Medical Questions or Exams**

**IAC** coverage requires no medical examination, health questions or physician statements for newly hired employees to obtain life insurance on their own life.

#### **Benefit Amount**

Your life insurance benefit is based upon your annual salary or pension amount.

#### **Living Benefit Rider**

A "living benefit" gives insured employees and retirees early access while still living to a portion of the life insurance benefit amount if they are diagnosed with a terminal illness while they are covered.

#### **Accidental Death & Dismemberment (AD&D)**

Insurance for accidental death or accidental loss of limb or eyesight is provided at no additional charge.



Forms are available for download  
at [finance.gov.mp/division-forms](http://finance.gov.mp/division-forms)



# IAC 2025 EMPLOYEE GROUP LIFE INSURANCE SUMMARY OF BENEFITS

	ACTIVE EMPLOYEE	RETIREE
Individual Term Life Insurance Benefit Amount	1.8 X Current Annual Salary	1.8 X Current Annual Pension *
Premium Rate per \$1000 Coverage	\$ 0.75 payable bi-weekly	\$ 0.82 payable semi-monthly
Employer Cost Share	50/50	50/50
Minimum Coverage Amount	\$ 5,000	\$ 5,000
Maximum Coverage Amount	\$ 90,000	\$ 90,000
Accidental Death & Disability (AD&D) Rider Included	Yes, Up to Age 70	No
Living Benefit Rider Included	Yes	Yes
Optional Dependent Coverage Available	Yes	No



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# OPTIONAL DEPENDENT COVERAGE SCHEDULE

	OPTION 1	OPTION 2	OPTION 3	OPTION 4
<b>Spouse</b>	\$ 10,000	\$ 25,000	\$ 40,000	\$ 40,000
<b>Children</b> <i>(14 days to under 1 year)</i>	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
<b>Children</b> <i>(1 year to 18* years)</i>	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,000
<b>Parents / Parents-in-law</b>	None	None	None	\$ 5,000
<b>Additional Bi-weekly Rate</b>	<b>\$ 4.95</b>	<b>\$ 7.95</b>	<b>\$ 10.95</b>	<b>\$ 36.95</b>

## LET'S CALCULATE THE BI-WEEKLY PREMIUM OF AN EMPLOYEE.

*If the employee (active, non-retiree) salary is*

**\$29,675.00**

*then:*

*Amount of  
Insurance*

**\$ 54,000**

*Biweekly  
Premium*

**\$ 40.50**

*Employee Share,  
50% = \$20.25*

**Example #1:** Coverage for Self (Active Gov Employee), Spouse and 4 child dependents, employee selects Option 2, \$7.95

Total Premium the active government employee pays \$20.25 + \$7.95 = **\$28.20** biweekly

**Example #2:** Coverage for Self (Active Gov Employee), Spouse and 2 dependents and 2 parents and 2 parents in Law, employee selects Option 4, \$36.95

Total Premium the active government employee pays \$20.25 + \$36.95 = **57.20** biweekly



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# IAC FREQUENTLY ASKED QUESTIONS

*Q: I am a new government employee. How many days do I have to enroll without providing additional information (i.e. Evidence of Insurability)?*

**A: New employees have 61 days from the official date of hire to enroll - no questions asked, no evidence of insurability, pre-existing health conditions will be accepted.**

*Q: Is there an enrollment period to update my life insurance (mailing address) or add dependents/spouse?*

**A: To make changes, Evidence of Insurability may be required. There is no open enrollment period to make changes. Any milestone event (marriage, birth/adoption of a child, etc.) will need you to update your coverage within 61 days of marriage/birth/etc. Simply complete the enrollment form, 'check' the Change/Update box at the top and submit the form to [GHL@dof.gov.mp](mailto:GHL@dof.gov.mp).**

*Q: It's been more than 3 years at my government job, and I never signed up for insurance. Can I still avail of this benefit?*

**A: Yes, you may enroll for life insurance by completing the application form as well as the Evidence of Insurability form. All forms are available at [finance.gov.mp/division-forms/](http://finance.gov.mp/division-forms/)**

*Q: I have worked in the government for more than 16 years, but I have changed agencies. Do I need to re-submit a form?*

**A: Yes, any department change or change in employment status, requires a resubmission. You may need to complete the Evidence of Insurability form.**

# IAC FREQUENTLY ASKED QUESTIONS

*Q: If my spouse is deceased, do I need to update my form?*

**A: Yes, you will need to update your form for a change such as this.**

*Q: Does IAC accept common-law spouses?*

**A: Yes, a government employee may include their common law husband or wife in their Life Insurance coverage. An affidavit is required to explain the common-law status. Common-law status without children, living together for 4 years minimum. Common-law status with children, living together for 2 years minimum.**

*Q: Can I cover my mother who is not employed with the government, even if my father (currently employed by the government) is already covering her?*

**A: Yes. Employees may cover any dependent or parent / parent in law who does not work for the CNMI Government. Similarly, two siblings who work for the government may both include their parent(s) as extra coverage as well.**

*Q: Is the living benefit only available for employees with cancer or any person covered with a terminal illness?*

**A: The living benefit option is available to any Active Employee or Retiree covered in the policy if they are diagnosed with a terminal illness while they are covered. A physician will need to provide certification. The amount available is 50% of the allowable coverage amount. The Living Benefit Rider is limited to employees and retirees (no coverage is available to dependents).**

*Q: How do I know if my deductions for life insurance is correct?*

**A: Review your paystub to verify your deductions. "GV SP LIFE" is the code for employee share and DEPLIFE3 is the code for all other dependent (Spouse, Children, Parents, etc.) contributions. Refer to the sample calculation on page 2 or call GHLI at 664-5455 or ghli@dof.gov.mp for assistance.**

*Q: Are there any grace periods while enrollment is reviewed or after separation?'*

**A: Active employees who are actively working but encounter a payroll snafu are still covered. However, a employee who is terminated or resigns is not covered based on the effective date of separation.**

**"FOR INFORMATION PURPOSES ONLY. SEE POLICY FOR TERMS AND CONDITIONS."**

# IAC FREQUENTLY ASKED QUESTIONS

*Q: What is the maximum benefit amount?*

**A: The benefit amount is based on the employee salary or pension (retiree), however, the maximum benefit amount is capped at \$90,000.**

*Q: If I am on Leave Without Pay (LWOP), am I still covered?*

**A: You are covered only if you are making the payments towards coverage. If you apply for LWOP, you are not making payments since you are not receiving pay. However, you may make direct payments to maintain your coverage. Any anticipated LWOP should be coordinated with your HR manager or payroll supervisor as soon as the LWOP is known. Individuals may remain active with approved LWOP for up to 12 months AND 3 months advance payment is made.**

*Q: I intend on leaving the CNMI to get medical care elsewhere (Guam, USA, Philippines, Korea, Thailand, etc.). I want to make sure that while I am away, my family is covered. What advise do you have?*

**A: If you are aware that you will be away from the CNMI for an extended period, especially for medical care, you are advised to communicate this information in writing (letter or email) to both IAC Donald Barcinas [dbarcinase@apiacnmi.com](mailto:dbarcinase@apiacnmi.com) and GHLI team at [ghli@dof.gov.mp](mailto:ghli@dof.gov.mp). This will avoid any delays regarding claims in the event of your death.**

*Q: What is the process for filing a claim?*

**A: The death of a loved one is a difficult time for everyone. IAC wants to process claims as soon as reasonable and aims to complete all claims within 2-3 business days. Claim processing requirements include Claim Processing Report, Death Certificate, most recent Enrollment form, premium verification. For spouses, must provide marriage certificate. For minors, must provide birth certificate and/or guardianship documentation. For parents/parents-in-law, must provide parent documentation. Additional information may be required during the course claim review.**

# GENERAL INFORMATION ABOUT LIFE INSURANCE

## **Financial Security for Dependents:**

Life insurance pays a sum of money to beneficiaries when the policyholder dies, helping them financially.

**Debt Protection:** It can cover debts like mortgages and loans, easing the financial burden on loved ones.

**Income Replacement:** For those who earn the main income, it replaces lost wages, helping dependents maintain their lifestyle.

**Estate Planning:** Life insurance can help pay estate taxes and expenses, protecting assets for heirs.

**Tax Benefits:** Death benefits are usually tax-free for beneficiaries, and some policies can grow cash value with tax advantages.

**Peace of Mind:** Knowing your loved ones will be financially secure provides reassurance.

**Potential Cash Value:** Certain policies build cash value over time that can be borrowed against or withdrawn.

**Additional Benefits:** Some policies offer extra features, like coverage for critical illness or disabilities



## **Consider future situations related to your life, health, and potential accidents:**

**Dependents:** If you have children, a spouse, or anyone relying on your income, life insurance is generally advisable to provide for their financial security.

**Debt:** If you have significant debts, such as a mortgage or personal loans, life insurance can help ensure these obligations are met even if you pass away.

**Income Replacement:** If you are the primary earner in your household, life insurance can replace your income, helping your family maintain their standard of living.

**Future Expenses:** Consider future expenses, such as college tuition for children or caregiving for aging parents, where life insurance could provide necessary funds.

**Age:** Younger individuals may have fewer immediate needs for life insurance, but securing a policy at a younger age can be more cost-effective.

**Health Status:** If you have a chronic illness or health concerns, obtaining life insurance sooner is often better, as coverage may become more challenging or expensive later.

**Business Ownership:** If you own a business, life insurance can protect the business and support partners and employees in case of your death. Ultimately, assessing your financial obligations, lifestyle, and dependents will help determine the likelihood that you will need life insurance.



## **Warnings or disadvantages of life insurance:**

**Cost:** Premiums can be high, making it hard for some people to afford life insurance.

**Complexity:** Different policies and options can be confusing, making it tough to find the right coverage.

**Lapsed Policies:** If payments are missed, the policy can lapse, resulting in lost coverage.

**Limited Payout for Term Policies:** Term insurance only pays out if death occurs during the policy term; if not, there's no benefit.

**Health Underwriting:** Getting coverage usually requires a medical exam, which can be challenging for those with health issues or older individuals.

**Investment Performance:** Cash value policies may not provide returns as high as other investment options.

**Surrender Charges:** Canceling a cash value policy early could incur fees that lower your payout.



*The content presented on this page is not expert or professional advice from the Department of Finance or Individual Assurance Company.*

*The content is for informational purposes only to provide the reader additional factors to consider if or when to enroll for life insurance.*