

# Accidental Death Benefit

## How Does It Work?

Accidental Death insurance is available to credit union members when Mortgage or Level Term LIFE insurance has been purchased. This coverage is obtained as an add-on, or rider, to a Mortgage or Level Term LIFE policy. The maximum amount of ADB coverage a member can purchase is \$250,000. The ADB insurance amount will match the amount of LIFE insurance purchased - unless the amount of LIFE insurance is over the ADB maximum coverage amount. Here are two examples of ADB coverage amounts as described above:

Mortgage or Level Term LIFE policy	\$175,000
Accidental Death Benefit rider	\$175,000 (will match the amount of LIFE coverage purchased)
Mortgage or Level Term LIFE policy	\$385,000
Accidental Death Benefit rider	\$250,000 (coverage maximum)

## How Does The Accidental Death Benefit Pay Out?

On an approved LIFE claim the ADB coverage will pay the face amount of insurance purchased - if the cause of death was accidental. Death resulting from anything other than an accident will pay the Mortgage or Level Term LIFE benefit only. MORTGAGE LIFE coverage is designed to pay the balance of the mortgage from the date of death; in other words, the LIFE benefit is paid on the declining mortgage balance. With LEVEL TERM LIFE coverage the LIFE benefit remains level, meaning the face amount of the coverage purchased would be paid out on an approved LIFE claim. The balance of the mortgage would be paid out and any remaining funds from the face amount of the policy would go to the named beneficiary or the estate. Here are two examples of how ADB works with each type of coverage:

---

MORTGAGE LIFE policy purchased	\$217,000
Accidental Death Benefit rider	\$217,000

If a member were to die accidentally in year 8 of their mortgage, and had paid down their mortgage to \$160,000, the following benefit would be paid on an approved claim:

MORTGAGE LIFE benefit	\$160,000 (paid to the credit union)
Accidental Death benefit	\$217,000 (paid to the named beneficiary or estate)

---

LEVEL TERM LIFE policy purchased	\$150,000
Accidental Death Benefit rider	\$150,000

If a member were to die accidentally in year 8 of their mortgage, and had paid down their mortgage to \$79,000, the following benefit would be paid on an approved claim:

LEVEL TERM LIFE benefit	\$ 79,000 (paid to the credit union)
LEVEL TERM LIFE benefit	\$ 71,000 (paid to the named beneficiary or estate)
Accidental Death benefit	\$150,000 (paid to the named beneficiary or estate)

---

Accidental Death insurance is very affordable coverage – please refer to the back of your Mortgage or Level Term guideline for cost. Reach out to your account executive if you have any questions about ADB coverage.

