



Ask the Experts SGLI & Life Insurance

What are my life insurance entitlements and needs?

All American Armed Forces members are automatically enrolled in SGLI and TSGLI—and FSGLI if they are married, with the costs of those programs deducted from their pay. Those are important and necessary protections, but with minor adjustments you can significantly increase the protection for your family at no added cost.

SGLI is Servicemembers Group Life Insurance, which provides \$400,000 of life insurance for \$28/month. You must have SGLI to get TSGLI or FSGLI.

TSGLI is Traumatic SGLI, which costs \$1/month to provide up to \$100,000, if you suffer a traumatic injury, including loss of limb, sight, or other trauma.

FSGLI is Family SGLI, which provides up to \$100,000 of coverage on spouses for \$5/month for spouses under 35 (and slightly more for older spouses). It also includes \$10,000 coverage on each child.

Is that Enough? It depends on your family's needs, but \$400,000 would only last for about 8 years. Even if it was invested prudently, and combined with DIC (see *Ask the Experts* on Survivor Benefits), it may not be enough.

Can I do better? AAFMAA provides Level Term insurance for the American Armed Forces, with \$400,000 costing only \$18.15/month. This is not just **less expensive**, but because it will **last after you leave the military**—until age 50 (age 40 if you are a smoker). Most importantly, it comes with AAFMAA's exclusive **Survivor Assistance Services**. At the time of a member's death, AAFMAA will coordinate with Social Security, the VA, and others to ensure that your family gets all of the military, veterans, social security, and other benefits to which they are entitled.

Should I cancel SGLI? You should not necessarily cancel your SGLI entirely. Instead, do the following:

- Apply for AAFMAA coverage at \$400,000 for \$18.15 per month at www.aafmaa.com.
- Reduce your SGLI to \$100,000 (which would cost just \$7.00 per month).
- Keep your TSGLI and spouse coverage at \$100,000 (total = \$6 per month).

The total cost is \$31.15/month—less than you are paying now—and provides **a total of \$500,000** of life insurance, continues after the military, and includes survivor assistance services. The AAFMAA Level Term policy includes \$10,000 of child's life insurance, so children would have a total \$20,000 of coverage.

Payments could still come from your pay reflected on your LES, just as they do today. Fill out an application on line (www.aafmaa.com) or call (877) 398-2263) to begin AAFMAA Level Term 1 insurance for \$400,000. Then fill out two simple forms at finance: SGLV Form 8286 will reduce your SGLI to \$100,000 and DD Form 2558 to start your AAFMAA allotment.

Also members of the American Armed Forces who are E-5 through O-3 and start a \$250,000 or greater life insurance policy by allotment can get a **\$4,000 Career Assistance Program (CAP) loan at just 1.5%**.

Bottom line: For the trouble of a trip to finance, you gain \$100,000 additional coverage, get valuable survivor assistance, continue coverage beyond the military, and save money.

Questions? Contact AAFMAA at (800) 522-5221 or Secretary@aafmaa.com

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<u>Current</u>	<u>Better Option</u>
<div style="background-color: #4a7ebb; color: white; padding: 5px;"> SGLI Life Insurance for \$400,000 </div>	<div style="background-color: #c00000; color: white; padding: 5px;"> AAFMAA Level Term 1 For \$400,000 </div>
<div style="background-color: #4a7ebb; color: white; padding: 5px;"> SGLI \$100,000 </div>	<div style="background-color: #c00000; color: white; padding: 5px;"> SGLI \$100,000 </div>
<div style="background-color: #70ad47; color: white; padding: 5px;"> TSGLI Traumatic Injury up to \$100,000 </div>	<div style="background-color: #70ad47; color: white; padding: 5px;"> TSGLI Traumatic Injury up to \$100,000 </div>
<div style="background-color: #e69d00; color: white; padding: 5px;"> FSGLI Spouse for \$100,000 </div>	<div style="background-color: #e69d00; color: white; padding: 5px;"> FSGLI Spouse for \$100,000 </div>
\$34/month (\$29/mo. if single)	\$31.15/month (\$26.15/mo. if single)