

Change in Premium Rates for Servicemembers Group Life Insurance (SGLI)

Effective July 1, 2006, for pay date August 1, 2006 members will see a change in SGLI premium deductions from their pay for the first time since July 2003. The new SGLI premium rate will be 7 cents per month per \$1,000 of coverage. This will increase the monthly premium rate for a member with maximum coverage of \$400,000 from \$26.00 to \$28.00. The premium for Traumatic Injury Protection coverage (TSGLI), which is mandatory and added automatically to the SGLI deduction, remains at \$1.00 per month. Follow this link <http://www.insurance.va.gov/sqliSite/SGLI/sqliPremiums.htm#reduced> to view SGLI premium rates at each coverage level. The new rates are also shown below.

SGLI Premium Rate Effective July 1, 2006

Coverage Amount	Basic Premium Rate	TSGLI Premium	Total Monthly Premium Deduction
50,000	\$3.50	\$1.00	\$4.50
100,000	\$7.00	\$1.00	\$8.00
150,000	\$10.50	\$1.00	\$11.50
200,000	\$14.00	\$1.00	\$15.00
250,000	\$17.50	\$1.00	\$18.50
300,000	\$21.00	\$1.00	\$22.00
350,000	\$24.50	\$1.00	\$25.50
400,000	\$28.00	\$1.00	\$29.00

SGLI premiums are increasing because the current SGLI premium rate is below the “break-even” point and therefore is insufficient to cover the cost of peacetime claims. (Note: The cost of wartime SGLI claims is borne by the uniformed services, not by service members.)

The implementation of the new TSGLI coverage had no impact on the decision to increase the SGLI premium. Funding for TSGLI is completely separate from basic SGLI and a separate premium (\$1.00 per month) is charged.

Family SGLI Premiums

Family SGLI (FSGLI) premiums are decreasing because of “favorable claims experience.” The actual number of claims received for FSGLI benefits has been less than expected. These lower premium rates will better reflect the claims experience of the program for each age group. All age brackets will see a decrease in FSGLI Premiums as follows:

Family SGLI Premium Rate Effective July 1, 2006

Age Group	Current Rates (per \$1,000 of insurance)	Revised Rates (per \$1,000 of insurance)	Revised Rates for \$100,000 of Coverage
Under 35	.06	.055	\$5.50
35 - 39	.075	.07	\$7.00
40 - 44	.10	.09	\$9.00
45 - 49	.19	.14	\$14.00
50 - 54	.28	.27	\$27.00
55 - 59	.42	.40	\$40.00
60 & up	.54	.52	\$52.00

If you more questions, visit <http://www.insurance.va.gov/sqliSite/miscellaneous/premiumChanges.htm> for answers to frequently asked questions about the SGLI rate increase. You will also find the SGLI/VGLI Handbook at <http://www.insurance.va.gov/sqliSite/handbook/handbook.htm> . You may also contact the Compensation Branch at (301) 594-2963.