



# **SERVICEMEMBER'S GROUP**

## **LIFE INSURANCE (SGLI)**

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The information displayed in this handout is meant for the sole use of Active duty service members, retirees, their families and other personnel eligible for legal assistance from the Goodfellow AFB Legal Office. The information is general in nature and presented to assist those eligible persons prepare for a legal assistance appointment with a professional in the legal office. Rights and responsibilities vary widely according to the particular set of circumstances in each case. Laws can vary across states, services, and civilian jurisdictions and laws are changed from time to time. Do not rely upon the general restatements of background information presented here without discussing your specific situation with a legal professional.

## **UNDERSTANDING SERVICEMEMBER'S LIFE INSURANCE (SGLI)**

Servicemember's Group Life Insurance (SGLI) is a crucial benefit for military personnel, offering low-cost group life insurance. Despite its importance, many servicemembers sign up without fully understanding the details. Here's a comprehensive guide to help you navigate SGLI and make informed decisions.

### **What is SGLI?**

SGLI provides life insurance coverage to:

- Active duty servicemembers
- Ready reservists
- National Guard members
- Members of the Commissioned Corps of the National Oceanic and Atmospheric Administration (NOAA) and the Public Health Service
- Cadets and midshipmen of the four service academies
- Members of the Reserve Officer Training Corps (ROTC)

These members are automatically insured for the maximum amount of \$500,000 (recently increased from \$400,000) unless they opt out or choose reduced coverage.

### **Why SGLI is beneficial:**

SGLI is often a better choice compared to other insurance plans because it does not include certain restrictive clauses:

- Pre-existing conditions clause: SGLI covers you regardless of pre-existing conditions.
- Suicide clause: SGLI provides coverage even in cases of suicide.
- War clause: SGLI covers deaths resulting from acts of war.

### **Conversion Options**

Upon leaving the service, you have two main options:

- Veteran's Group Life Insurance (VGLI): Convert your SGLI to VGLI to maintain coverage.
- Commercial Life Insurance: Convert your SGLI to a commercial policy within 120 days of separation.

Additionally, if you are totally disabled at discharge, the SGLI Disability Extension allows you to retain your coverage at no cost for up to two years.

## **Designated Beneficiaries**

Designating the right beneficiary is critical. Here are some key points:

- **Keep it Current:** Regularly update your beneficiary designation, especially after major life events like marriage, divorce, or the birth of a child.
- **Specific Individuals:** Avoid using "by law" designations. Instead, list specific individuals to ensure the money goes where you intend.
- **Minors:** You can designate a minor as a beneficiary, but SGLI proceeds cannot be paid directly to them (except for a minor spouse). The funds will go to the guardian of their property. To avoid complications, consider setting up a trust for the minor.

## **Additional Tips**

- **Review Regularly:** Make it a habit to review your SGLI coverage and beneficiary designations annually.
- **Consult a Financial Advisor:** For personalized advice, consult a financial advisor who is familiar with military benefits.
- **Understand the Costs:** Know the premiums and any additional costs associated with converting your SGLI to VGLI or a commercial policy.

To make the most of your SGLI benefits:

- **Stay Informed:** Understand what SGLI covers and its advantages over other insurance plans.
- **Update Beneficiaries:** Regularly update your beneficiary designations to reflect your current wishes.
- **Plan for Minors:** Set up appropriate instruments like trusts to manage funds for minor beneficiaries.
- **Explore Conversion Options:** Know your options for maintaining coverage after leaving the service.

By keeping these points in mind, you can ensure that your SGLI benefits provide the intended support for your loved ones.

## **For additional information:**

If you want to learn more about your Servicemember's Group Life Insurance (SGLI), the best base agency to contact is typically the Base or Installation Personnel Office or the Military Personnel Flight (MPF). These offices are well-equipped to provide detailed information and answer any questions you may have about SGLI. Here are some specific points of contact:

- **Base or Installation Personnel Office / Military Personnel Flight (MPF)**
  - They handle personnel records and can provide comprehensive information about SGLI, including how to update your beneficiaries, coverage options, and conversion to Veteran's Group Life Insurance (VGLI).

- Family Readiness Center / Family Support Center
  - These centers offer a range of services and can provide information on SGLI. They often have financial counselors who can help you understand your benefits and make informed decisions.
- Finance Office
  - The Finance Office can provide details on the cost of SGLI premiums and how they are deducted from your pay. They can also assist with any financial planning related to your insurance coverage.
- Unit or Command Financial Specialist
  - Many units have designated financial specialists who can provide tailored advice and information about SGLI and other financial matters.
- SGLI Customer Service
  - For direct assistance, you can contact the SGLI Customer Service Center. They can provide detailed information and handle specific inquiries about your policy.  
 Phone: 1-800-419-1473  
 Website: <https://www.benefits.va.gov/insurance/sgli.asp>

*NOTE: This guide is intended for general informational purposes only and does not constitute legal advice. It is advisable to periodically verify this information and consult with a legal professional for the most current and applicable advice. If you have any questions or need to schedule an appointment with a legal assistance attorney, please call the Legal Office at 325-654-3203*