



IS MY EMPLOYER-PROVIDED LIFE INSURANCE COVERAGE ENOUGH?

48% of households that only have insurance through work believe they'd be in financial crisis within 6 months should a wage earner die unexpectedly.¹

Just under 60% of workers in the United States have access to life insurance through work.² Also known as group coverage, this valuable benefit is often offered to employees inexpensively or at no cost. If you receive life insurance through work, there's no reason not to take advantage of it.

It's important to keep in mind that group coverage may not be enough, particularly if you have a spouse, kids, or other family members who rely on you for financial protection. Additionally, your coverage may not be portable if you leave your job.

If you need more life insurance than what's offered by your employer, you may be faced with the question: Do I purchase an individual life insurance policy or buy more coverage at work? This is known as supplemental group life insurance.

Understanding the Differences

SUPPLEMENTAL GROUP TERM LIFE

In addition to free basic coverage, some employers offer the option to buy additional life insurance that can be two or more times your annual salary.

ADVANTAGES

It's Convenient – You elect coverage at work and the premium is deducted from your paycheck, if issued.

Potentially Less Expensive – If you have health concerns, your premiums may be lower than for an individual policy because they are based on covering a group of people and not you individually.

Minimal Underwriting – Underwriting is generally limited, if at all. Note, you may have to answer some high-level health questions or a medical exam.

DISADVANTAGES

May Not be Portable – If you leave your employer, you may not be able to take your policy with you. If your next employer doesn't offer supplemental group insurance, you may need to purchase an individual policy to maintain the same level of coverage.

Increasing Premiums – Typically, premiums increase every year as you age.

Work-Related Restrictions – Group coverage typically requires you to be actively working to be in force. If you become ill or unemployed before dying, the insurance may not pay.

Less Options – Group coverage may offer less options and protection benefits and has very little flexibility.

INDIVIDUAL TERM LIFE

A policy purchased from an insurance company or a licensed agent – outside the workplace.

ADVANTAGES

- Portable** – The policy is yours alone and not connected to your employer. Your life insurance will provide continuous coverage, no matter where you work.
- Level Premiums** – Your premium remains the same during the selected level period, such as 10 or 20 years.
- May Cost Less if You're Healthy** – Coverage is dependent on your individual circumstances via underwriting. Healthy people will typically experience lower premiums compared with supplemental group insurance.
- No Work-Related Restrictions** – An individual insurance policy can pay out benefits if you are retired or not working.
- Flexible Choices** – You'll find a large selection of term policies to choose from, each offering a variety of optional benefits that provide flexibility.

DISADVANTAGES

Underwriting Process – Policies are typically fully underwritten, and your policy will be issued based on your health, lifestyle and other factors. In contrast to supplemental group insurance, you may need to answer additional health questions or have a physical exam or medical tests.

What's the right choice for you? Some sound advice:

1. Always take advantage of any available free employer-provided insurance coverage.
2. Determine how much life insurance coverage you need with the help of a licensed insurance professional.
3. Obtain quotes for both individual and supplemental life insurance for the coverage needed in addition to any available free employer coverage.
4. When making your decision, consider the features and benefits that are important to you:

FEATURE/BENEFIT	SUPPLEMENTAL GROUP INSURANCE POLICY	INDIVIDUAL INSURANCE POLICY
Portable		✓
Greater Convenience/Less Underwriting	✓	
Best Price – Healthy		✓
Best Price – Unhealthy	✓	
Level Premiums		✓
No Work-Related Restrictions		✓
Flexible Choices		✓

For help finding the right solution, contact me any time: