

Voluntary Benefits Insights

The features and advantages of voluntary life insurance

Most people would shudder to think what would happen if someone in their household passed away. This is not a pleasant topic, but something that needs to be planned for since it would impact a spouse, child, or others. A good life insurance policy would be able to provide financial protection during this time.

Of all the voluntary insurance products, life insurance policies are one of the most well-known and popular products available. Despite this, not every company offers employees the option to buy into a life insurance plan.

In this article, we'll look at some ways to talk to companies and organizations about the positive features of voluntary life insurance and how life insurance can benefit their employees.

The basic features

Though the difference between term, group, whole and other life insurance plans might be second nature for insurance brokers, the fine details can get confusing for organizations and employees.

[Group term life insurance](#) is the basic term used for life insurance offered as a benefit through a company. Sometimes, employees offer a small amount of life insurance coverage as part of the overall benefits package. The amount of coverage varies, from \$10,000 to \$50,000, or the employee's annual salary.

In addition to a basic plan, supplementary life insurance gives employees the option to buy more coverage. Taken together, [Group term life insurance](#) from Reliance Standard offers a number of other features that have made it one of the most sought-after insurance products on the market. These features include:

- Incremental coverage from \$10,000 to \$500,000 for employees and spouses
- Guaranteed issue amounts for employees - often for spouses, too
- Coverage for dependent children (guaranteed issue)
- Spouse-only or spouse and dependent children-only coverage
- Accelerated Death Benefit included
- Waiver of premium included
- Portability and conversion included
- Tobacco-user/non-tobacco-user rates may be available
- Five-year, age-banded rates

3 reasons everyone should enroll in group term life insurance

Despite knowing the benefits of life insurance, employees and employers sometimes need to be reminded of why offering or taking advantage of voluntary life insurance is so important. In situations when you meet someone who thinks either they can't afford term life insurance or thinks they don't need it, you should remind them of the following three points:



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1. **Do it for your family.** If something should happen to an individual, it's not just that their family will no longer have their emotional and financial support, they'll also be burdened by numerous additional expenses. In most situations, this will include:

- Funeral expenses - Over the past decade, the median cost of an adult funeral has increased by 28.6 percent. In 2014, the median cost of a funeral with a viewing and burial in the U.S. was \$7,181, according to the [National Funeral Director's Association](#). This cited cost does not include costs associated with the cemetery plot, the headstone or marker, and the flowers, all of which can be significant.
- Estate lawyers - Settling an individual's estate often requires legal counsel or mediation, which can easily cost thousands of dollars, even for a relatively simple estate.
- Debts and other expenses.

In addition to these immediate expenses, a person's family will still have to pay monthly bills such as their mortgage and car payments, while planning for future expenses such as their children's college tuition. These expenses don't just affect those with families. Single people with no children are often worried about who will take care of their aging parents if something happens to them, or burdening loved ones with any unsettled bills or additional expenses.

2. **Cost.** We all know things are less expensive when you buy in bulk. That's kind of the way group life insurance works. It's much cheaper for an individual to get it through their work than on their own. The cost savings here is really something that should be stressed. When you compare the monthly cost of a supplemental life insurance policy with the potential financial burden someone's family might face if they are uninsured, the cost is rather small.

3. **Convenience.** Enrolling in life insurance is easy. During the enrollment period, an employee simply fills out the form provided by their employer and that's that. Rather than sit down and write out a check each month, a relatively small amount of money is then deducted from their paycheck. Many don't even notice the money has been deducted!

How much coverage should people get?

Many who have basic life insurance through their work are content with the coverage their employer gives them. But as we have seen, even a generous policy that pays out an amount equal to an individual's yearly salary might not be enough to financially provide for the mourning family.

As a rule of thumb, it's recommended that people take out a policy that is five to 10 times their yearly salary. The needs of every individual and family will be different. The flexibility offered by Reliance Standard means people can get the coverage they need, helping to relieve the anxiety many of us face when we start thinking, "What if?"

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