

Group Life Insurance 101

Group life insurance is coverage offered under one contract to a group of people — typically by employers, but sometimes by unions and trade organizations.

While it can be affordable, participating in a group plan may not offer your clients the right amount of protection for their families' needs. In these cases, complementing a group life insurance policy with a separate term policy is a great solution.



Why term over group?

Employment status

Group

Group insurance plans are rarely portable, meaning that if your client leaves their job, they'll no longer be covered. If the policy does transfer, premiums may be higher.

Term

Term coverage is not dependent on your client's employer: Once placed, a term policy guarantees financial protection until the specified term ends.

Coverage amounts

Group

Group coverage is generally capped at \$50,000, or may max out at 1-2x your client's annual salary. Policygenius experts recommend a coverage amount 10-30x their income to avoid being underinsured.

Term

Term plans are offered at a variety of face amounts to match your client's specific needs, making them an ideal tool for closing coverage gaps left by an insufficient group policy.