

Individual Term vs Group Term



A common question is should I buy more life insurance from my employer's group life plan?

Characteristics of Group Life

- Typically available during an enrollment period
- Amount of coverage paid by employer, is a multiple of salary with a maximum of coverage available
- If already enrolled there is an ability to increase coverage during enrollment without medical underwriting
- If not enrolled additional coverage is subject to medical underwriting
- Additional Voluntary rates are typically higher than term insurance
- Coverage stops when employment stops

Characteristics of term insurance

- Coverage is purchased with guaranteed premiums for a specific period: 10, 20, 30 years
- Coverage is owned and premiums paid by individual
- Coverage is not dependent upon employment
- Premium costs are determined by coverage amount, age, state residence, gender, health, and relationship to income/net worth

Examples of 30 year old female, \$300,000 of coverage:

Group life plan:

- Premium: \$33 a month
- Subject to increase in premiums
- Terminates with employment termination

20 year term:

- Premium of \$15 a month
- Price guaranteed for 20 years
- Coverage guaranteed for 20 year with premium payments

Every situation is unique and should be reviewed to determine what is best for you. Let Wheatland Advisors assist you to determine what is in your best interest.