



# Life and AD&D Overview

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We support our  
members through all  
stages of health.

For many businesses, an attractive employee benefits package includes Group Term Life and Accidental Death & Dismemberment (AD&D) insurance offering desirable benefit levels. This allows an employer to:

- Increase the attractiveness of the company's benefit package to employees.
- Offer employees life insurance benefits at economical rates.

One way employers can enhance their benefits package and minimize administrative costs is to consolidate health and life insurance carriers.

## Group term life insurance

### Benefit schedule options

**Flat amount** – For example, a \$15,000 death benefit may be provided for all eligible employees. Most policies provide this coverage on a non-contributory basis. This means the policyholder is responsible for the full cost of the insurance premium.

**Multiple of salary** – A life insurance benefit can be based on the amount of the employee's salary. A common version of this schedule would provide a basic life amount of one times annual salary, to a maximum benefit of \$50,000.

**Occupation/Job class** – The group life benefit can be based on occupation or job title. For example, a class composed of corporate officers and managers could be insured for a basic life amount of \$50,000. All other eligible employees in the company may be insured for a basic life amount of \$25,000.

**Dependent Life** – Life insurance benefits can be provided for an eligible spouse and dependent children. This benefit can only be purchased as part of a basic group life policy which includes the following High or Low Dependency options:

- *High*: spouse – \$5,000; child – \$2,000 (infant – \$200)
- *Low*: spouse – \$2,000; child – \$1,000 (infant – \$100)

### Group life plan features

**Waiver of premium** – A life benefit may be continued under certain circumstances, for example, during a temporary layoff or leave of absence. Coverage may also be continued in accordance with the Family and Medical Leave Act of 1993. If a qualified enrollee becomes totally disabled, the coverage may be continued without payment of premium while they remain totally disabled.

Complete details for all provisions (listed here) are included in the group contract.

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**Accelerated death benefit** – This benefit provides financial protection to the insured in time of need, while also protecting the interest of the beneficiary. Accelerated death benefits can be paid to an insured when the physician certifies a terminal illness. The accelerated benefit is a portion of the basic life insurance amount and is payable in a lump sum. The remaining portion is paid upon death to the insured's beneficiary.

**Conversion privilege** – A conversion privilege to whole life insurance is available to certain individuals whose coverage terminates due to reasons specified in the group policy. This conversion does not require a physical examination or evidence of insurability. Coverage must be applied for, and the first premium must be paid within 31 days following the date of coverage termination.

### *Accidental Death & Dismemberment*

Accidental Death & Dismemberment benefits are usually included as part of the group life policy. Health Net Life Insurance Company does not offer Accidental Death & Dismemberment benefits on a standalone basis. The benefit is payable as a result of an accident, loss of life or any of the physical losses specified in the group policy.

The benefit payable depends upon the loss. The maximum benefit amount is equal to the basic life amount shown in the policy.

This maximum benefit amount is payable for loss of life. It can also be payable for the loss of sight in both eyes, loss of both hands or both feet, or any two or more of these physical losses in the same accident.

One-half of the maximum benefit amount is payable for loss of one hand, loss of one foot or the loss of sight in one eye.

### *Supplemental group term life insurance*

This benefit is available for employer groups greater than 51 which have purchased basic life coverage from Health Net Life Insurance Company. Employees may select from various amounts of supplemental insurance. The employee usually pays for supplemental life premiums.