

# THE VALUE OF GROUP VOLUNTARY LIFE INSURANCE

**ROGERS  
BENEFIT  
GROUP**

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# AGENDA



- Why offer this benefit?
- Comparing Group vs. Individual Policies
- What is Guarantee Issue?
- How much does it cost?
- Underwriting Guidelines
- Additional add ons by carriers

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# WHY OFFER VOLUNTARY LIFE INSURANCE?



## Value of Additional Benefit:

- No additional cost to employer
- “Stack” benefit on top of what employer offers to build higher amounts and guarantee issue
- Positive employee perception of a well-rounded benefits package – even if they don’t participate

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# GROUP LIFE VS. INDIVIDUAL LIFE



## Key Differences:

- Group underwriting vs. Individual
- Depth of medical questions/tests
- Cost
- Additional perks for participating

# GROUP LIFE VS. INDIVIDUAL LIFE

## Individual Life Insurance

- “Under the Microscope”
- Extensive Underwriting
- Expensive
- Lock in rate at age policy is written
- Purchase for yourself only
- Active for length of term as long as you pay the premiums. Typically expires at end of term
- Ability to build cash value & borrow against

## Group Voluntary Life Insurance

- Part of a large risk pool with millions of others
- Ease of underwriting
- Pennies on the dollar
- Price changes when you age up to new bracket
- May purchase for spouse & child(ren)
- Active as long as you pay the premiums, and can take policy with you if you leave the company
- Does not build cash value and you cannot borrow against

# WHAT IS GUARANTEE ISSUE???



## Guarantee Issue

- The amount of policy that the insurance company will issue with no medical or health background questions asked (typically \$50,000 or \$100,000 depending on group size)
- If the guaranteed issue amount of a policy is \$50,000 then each prospective enrollee can purchase that amount with no questions asked at time they are eligible
  - If not elected at time eligible and would like to enroll later, then they will be subject to questions (Evidence of Insurability – “EOI”)
  - If requested amount is over the “GI” amount, that amount will be subject “EOI”
  - Spouse/Child(ren) amounts will be lower than employee amounts

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# EVIDENCE OF INSURABILITY

	Yes	No
1. Your height ___ feet ___ inches    Your weight ___ pounds	<input type="checkbox"/>	<input type="checkbox"/>
2. Are you now on a diet prescribed by a physician or other health care provider? If "yes" indicate type _____	<input type="checkbox"/>	<input type="checkbox"/>
3. Are you now pregnant? If "yes," what is your due date (month/day/year)? _____ If "yes", provide Physician's name _____ Telephone: (____) ____ - _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Are you now, or have you in the past 2 years, used tobacco in any form?	<input type="checkbox"/>	<input type="checkbox"/>
5. In the past 5 years, have you received medical treatment or counseling by a physician or other health care provider for, or been advised by a physician or other health care provider to discontinue, the use of alcohol or prescribed or non-prescribed drugs?	<input type="checkbox"/>	<input type="checkbox"/>
6. In the past 5 years, have you been convicted of driving while intoxicated or under the influence of alcohol and/or any drug? If "yes", specify "date(s) of conviction(s) (month/day/year) _____	<input type="checkbox"/>	<input type="checkbox"/>
7. Have you had any application for life, accidental death and dismemberment or disability insurance <input type="checkbox"/> declined <input type="checkbox"/> postponed <input type="checkbox"/> withdrawn <input type="checkbox"/> rated <input type="checkbox"/> modified or <input type="checkbox"/> issued other than as applied for? Indicate reason _____	<input type="checkbox"/>	<input type="checkbox"/>
8. Are you now receiving or applying for any disability benefits, including workers' compensation?	<input type="checkbox"/>	<input type="checkbox"/>
9. Have you been <b>Hospitalized</b> as defined below (not including well-baby delivery) in the past 90 days? <b>Hospitalized</b> means admission for inpatient care in a hospital; receipt of care in a hospice facility, intermediate care facility, or long term care facility; or receipt of the following treatment wherever performed: chemotherapy, radiation therapy, or dialysis.	<input type="checkbox"/>	<input type="checkbox"/>
10. <b>For residents of all states except CT, please answer the following question:</b> Have you ever been diagnosed or treated by a physician or other health care provider for Acquired Immunodeficiency Syndrome (AIDS), AIDS Related Complex (ARC) or the Human Immunodeficiency Virus (HIV) infection? <b>For CT residents, please answer the following question:</b> To the best of your knowledge and belief, have you ever been diagnosed or treated by a physician or other health care provider for Acquired Immunodeficiency Syndrome (AIDS), AIDS Related Complex (ARC) or the Human Immunodeficiency Virus (HIV) infection?	<input type="checkbox"/>	<input type="checkbox"/>
11. Have you ever been diagnosed, treated or given medical advice by a physician or other health care provider for:		
a. cardiac or cardiovascular disorder? Indicate type _____	<input type="checkbox"/>	<input type="checkbox"/>
b. stroke or circulatory disorder? Indicate type _____	<input type="checkbox"/>	<input type="checkbox"/>
c. high blood pressure?	<input type="checkbox"/>	<input type="checkbox"/>
d. cancer, Hodgkin's disease, lymphoma or tumors? Indicate type _____	<input type="checkbox"/>	<input type="checkbox"/>
e. anemia, leukemia or other blood disorder? Indicate type _____	<input type="checkbox"/>	<input type="checkbox"/>
f. diabetes? Your age at diagnosis? _____ <input type="checkbox"/> Check if insulin treated	<input type="checkbox"/>	<input type="checkbox"/>
g. asthma, COPD, emphysema or other lung disease? Indicate type _____	<input type="checkbox"/>	<input type="checkbox"/>
h. ulcers, stomach, hepatitis or other liver disorder? Indicate type _____	<input type="checkbox"/>	<input type="checkbox"/>

- Needed in order to qualify for requested amounts above the "GI" limit
- Required for late enrollees that opted out when first offered to them
  - Why do you need it now and not then??
- Consists of a list of medical questions
- May or may not be required to have a medical exam
- May be approved, partially approved, or denied
  - Cannot be denied the GI amount



# HOW MUCH DOES IT COST???

Supp Life Option 1 6767835			
Supplemental Life (per \$1,000 of Covered Volume)			
All Active Full Time Employees			
Less than 30			\$0.084
30-34			\$0.112
35-39			\$0.126
40-44			\$0.165
45-49			\$0.259
50-54			\$0.419
55-59			\$0.640
60-64			\$0.983
65-69			\$1.786
70+			\$2.933
Rates are guaranteed from October 1, 2022 - September 30, 2024			
<b>Important Information concerning Supplemental Life enrollments:</b> For take-over supplemental life plans: This quote does not include an open enrollment and late enrollees will be required to provide Evidence of Insurability (EOI). However, for in-force \$10,000 increment plans, current participating employees may increase their in-force supplemental coverage an additional increment for the employee coverage only, up to the non-medical maximum stated in the policy. All increases are subject to the terms of the policy.			
Supplemental AD&D (per \$1,000 of Covered Volume)			\$0.014

- Assume that I would like to buy \$100,000 of Guarantee Issue:
  - Age 46 – (.259 Life + .014 AD&D per \$1,000)
  - (.273\*100 units) = \$27.30/month
- If I would just like the minimum buy in of \$10,000
  - (.273\*10 units) = \$2.73/month



# GROUP UNDERWRITING GUIDELINES



- Minimum participation
  - Since policies are employee paid (post tax dollars), carriers will require minimum participation to protect their risk pools
  - Usually the greater of 20%-25% with at least 5 enrolled
  - If packaged with multiple other lines of coverage ie: dental, vision, disability – some carriers will waive the minimum requirement
- Since these are individual policies within the group, employees would be responsible for “EOI” forms if needed

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## BUILT IN “EXTRAS” FOR PARTICIPANTS



- Portability (standard)- you may take the policy with you if you leave the company
- Conversion – may convert into an individual policy
- Grief Counseling – cope with mourning of lost one
- Will Preparation – face to face meetings with attorney for will/trust planning
- Funeral Discounts
- AXA Travel Assistance
- Total Control Account – interest bearing bank account to help beneficiary manage the proceeds

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THANK YOU!!

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