

I Have Life Insurance At Work. Is This the Best Deal?

By Corry Collins CLU CHFC CHS



There are all sorts of places to buy life insurance these days. On the phone, by mail, in person, on-line. At one point in time.. and not that long ago, you needed to talk to a life insurance agent who would visit your house, and in those days, even light up a cigarette with you as the conversation started. By the end of the night a paper application was completed and weeks later you heard back about the results of your blood work.

Financial planning has become more complicated and high tech yet the basic need has stayed the same. I recently found an old 3x6 inch booklet in my office. It was printed in 1920 by the Imperial Life Insurance Company of Canada. The hand drawn sketches and the wording depict a vocabulary of near 100 years ago but the message is the same... "Life insurance is based on the principal of mutual protection".

Buying life insurance does not have to be a complicated process but it is something you should get some advice. Your needs are as particular to you as everything else in life. When looking at group coverage, here are a few questions to ask you....

How long will I be with this company- group insurance is generally terminated with the end of employment.

Will the cost increase annually- most group policies are one year term and the cost increases.

How much coverage do I need- Group coverage is often limited to the need of the group, not you personally.

Can the coverage be cancelled by the carrier- There are no guarantees with group. Often the plan moves from one insurance company to another, or in the case of a small employer, the plan can be cancelled.

Does the coverage have restrictions- often it does. Some claims are not covered.

Is group coverage always the low price- NO. There is no correlation as to size of company and good prices.

Group coverage may be good, but there are always options. Check with your advisor first.