

# Supplemental Life Insurance

Make Your Loved Ones Top Priority Today



## What is Supplemental Life Insurance?

Supplemental Life Insurance allows you to choose additional Life Insurance coverage at group rates. The premium payment for this coverage is paid through convenient deductions from your paycheck.

## What is Dependent Life Insurance?

Your Supplemental Life Insurance plan may include an option to choose Dependent Life Insurance for your spouse and/or children, and is usually very affordable. If something unexpected happens, this plan can help cover funeral, or end of life expenses; the last thing you want to worry about during a difficult time.

## Can You Afford Extra Coverage?

With this offer, you can take advantage of affordable group rates, rather than relying upon individual insurance which may be more expensive. Your employer is looking out for you and your family. They have made the decision to offer this Supplemental Life Insurance coverage so that you can protect your loved ones at a reasonable cost.

## How Much Life Insurance Coverage Do You Need?

According to U.S. News & World Report's website, common wisdom holds that you should plan on having seven to ten times your annual income as a starting point for Life Insurance.<sup>1</sup> To estimate your personal needs, you can use an online calculator at [www.lifehappens.org](http://www.lifehappens.org).

## What Age Should You Think About Buying Additional Life Insurance?

Most people know that those with a family and/or a mortgage need Life Insurance. However, many believe that unmarried young people who have no dependents or mortgage do not need Life Insurance. The reality is that when people die young, the surviving family may be unprepared for the shock. Life Insurance coverage may ease tension during that time by helping with unexpected expenses such as funeral fees, debts or medical bills not covered by insurance.

## Are There Any Medical Questions or Tests Needed to Qualify for Supplemental Life Insurance?

Individual Life Insurance carriers often require medical questions, blood tests or a visit with a nurse or physician. With group insurance, the insurance company's risk is lower because it is based on the claims history of the entire group, rather than your personal health history. Therefore, the insurance company is often able to offer a period of time where you can purchase Supplemental Life Insurance without medical questions or tests. Certain conditions may apply.

## When Will Coverage End?

Coverage usually ends at retirement, a specified age or if you enter the armed forces on a full time basis. Also, the amount of the benefit usually decreases as you age. Both of these will be identified in your

(over)

This brochure is not the insurance contract. It is a brief description of Life Insurance.

certificate of coverage. If your employment ends for a reason other than retirement, some policies contain a portability arrangement where you can choose to take the Life Insurance coverage with you. Restrictions apply, premiums and fees may be higher and you must apply for coverage and pay the first premium payment within a specified period of time following termination.

### **How is the Life Insurance Paid to My Loved Ones?**

Your beneficiary fills out a Life Insurance claim form and submits it along with other documentation, including an original or certified copy of the death certificate. After approval, they will receive the funds usually in one lump sum from the insurance carrier. Note that the employee is the beneficiary for any Dependent Life coverage.

#### **A Few Reasons Why You May Need Additional Life Insurance:**

##### **Single person with no dependents:**

- Funeral expenses
- Medical bills
- Elderly parents you may support
- Debts (credit cards, student loans)

##### **Single person with dependents:**

- Funeral expenses
- Medical bills
- Debts (car, mortgage)
- Childcare/Caretaker fees
- Health Insurance payment
- Elderly parents you may support
- Education costs

##### **Couple with no dependents:**

- Funeral expenses
- Medical bills
- Elderly parents you may support
- Debts (mortgage, car)

##### **Couple with dependents:**

- Funeral expenses
- Medical bills
- Debts (mortgage, car)
- Child-rearing expenses
- Health Insurance payment
- Elderly parents you may support
- Education costs

##### **Older couple:**

- Funeral expenses
- Medical bills
- Estate taxes
- Income for surviving spouse
- Debts (home, vacation home, recreational vehicle)
- Health Insurance payment
- Assets for children or grandchildren

## **NATIONAL INSURANCE** S E R V I C E S

Corporate office: 250 South Executive Drive, Suite 300  
Brookfield, WI 53005  
800.627.3660 | [www.NISBenefits.com](http://www.NISBenefits.com)

<sup>1</sup>U.S. News & World Report Feb.2012, [www.money/usnews.com](http://www.money/usnews.com)