



## Life Insurance

Your employer is looking out for you and your family. They have made the decision to offer you life insurance coverage so that you can protect your loved ones.

### What is Life Insurance?

Life insurance is a solution for a situation that no one wants to consider: How would your family survive financially if something happened to you?

Life insurance benefits help your family with funeral expenses, medical bills, debt including credit card and student loans, help for elderly parents you may support as well as provide an income for your family if you are no longer there to provide it.

### How do I designate which one of my loved ones will receive the life insurance benefit?

The beneficiary is the person who receives your basic term life insurance benefit if you should die.

Here are some things to consider when electing a beneficiary:

- If you don't designate a primary beneficiary, the payment may pass to your estate where it could be subject to taxes and fees.
- You should list a secondary beneficiary in the event that your primary beneficiary precedes you in death.
- If you reside in a community property state, it may be unlawful to name someone other than your spouse as a beneficiary without the spouse's consent.
- If you are considering naming a minor child as your beneficiary you might consider establishing a trust or distributing the funds to someone else. By law, minors cannot receive or control these assets.

It is important to review/update your beneficiary information on an annual basis or when you have a major life event. Major life events include getting married, having a baby, adopting, divorce or a death in the family. If you neglect to update it, situations could happen where your life insurance benefits are unintentionally left to someone else.

### How is the life insurance paid to my loved ones?

It's simple. 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.

### 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 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.

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