

# GROUP LIFE INSURANCE

## FREQUENTLY ASKED QUESTIONS

### **What is Group Term Life Insurance?**

Group Term Life Insurance can help secure your plans for your family's future, such as college funding, by providing a financial benefit to your chosen beneficiaries in the case of your death.

### **How much life insurance do I need?**

To begin to determine how much you need, consider your family's immediate and long-term financial needs, such as: mortgage expenses, daycare and everyday expenses, credit card debt, medical expenses, college costs, financial goals, final expenses (simple funerals can cost over \$10,000).

Consider what would happen to your dependents if they no longer had your income to rely on. Could they maintain their lifestyle? Proceeds from a group term life insurance policy can also help supplement retirement income for a surviving spouse.

### **How do I choose my beneficiary?**

Selecting your beneficiary – the person(s) that receive the funds in the event of your death – and keeping your choice up-to-date, is important. Beneficiaries are usually, but not necessarily, relatives or people close to you: children, spouse, parents, or other family members who rely on you for support.

It is also a good idea to name a "contingent", or secondary, beneficiary. A contingent beneficiary is important in the event your primary beneficiary predeceases you, or if, for example, you and your primary beneficiary die in the same accident.

If your named beneficiaries are not living at the time of your death, the proceeds of your life insurance will be paid to the executor or administrator of your estate.

Don't forget to review your beneficiary designations periodically, especially after major life events like births, graduations, weddings, divorces, retirements and deaths.

### **What if my beneficiary is a minor?**

If you designate a minor, in the event of your death, a court generally must appoint a guardian or conservator of the minor's estate to manage the proceeds payable under the policy. If you want the proceeds of your policy to go to a minor or someone under a legal disability, one option is to designate a trust as a beneficiary. If you decide to designate a trust, contact your attorney to create a legal trust document.