

Pros & Cons of Group Benefits: Supplemental Insurance Products

By Heather Moir-Dangler

There are many types of supplemental group benefits that one can get through their employer, such as: life insurance, long-term disability, accidental death, etc. As with anything in life, they have their pros and cons.

Pros:

- Premiums tend to be less expensive than individual rates. This does depend on the size of the group as well as other factors dependent on the type of insurance.
- Are likely to be guaranteed issue. Meaning that when you sign up for the benefit, you are generally going to get it. There is also less paperwork in the application. Be aware of your open enrollment dates.
- Premiums are automatically deducted from your paycheck.

Cons:

- Some types of group insurances, such as life insurance and long-term disability, are generally non-portable and you lose the benefit when you leave the company. Converting to an individual policy may be possible, however the costs can skyrocket.
- People tend to forget to update information on their group policies, like beneficiaries. Be sure to contact your Human Resource department when you need to make changes.
- Premiums being automatically deducted from your paycheck. Rate increases tend to go unnoticed.
- Portable benefit premiums may increase if you leave the company.

Supplemental group benefits can be “icing on the cake.” They can provide additional coverage, or fill an existing hole, however, be careful about solely depending on employer sponsored group benefits. Understand what you’re signing up for and why. Review these benefits annually.