

Is group life insurance through work enough?

You likely receive some kind of life insurance at work. It's a common perk. Eighty-five percent of companies offer group life insurance benefits to employees, according to a 2018 report by the Society for Human Resource Management.



If your employee benefits include group life insurance, you might be wondering whether you should have life insurance outside of work.

One of the biggest misconceptions about life insurance is that if you have coverage through work, you're set. That's not usually the case, especially if you own a home or have children.

Group life insurance can be a nice addition to your benefits package, especially if it's free or nearly free. But these policies can sometimes fall short if you have a growing family or your life insurance needs change throughout your career.

Where employer-provided life insurance falls short

The great thing about employer-provided life insurance is that it's often a free benefit. And if you do have to pay something towards the policy, the premiums may only be a few dollars a month. Besides covering yourself, you may also be able to get coverage for your spouse or children.

There are downsides, however. First, supplemental coverage can get pricey and getting life insurance through your employer could end up being more expensive than a policy purchased directly from a life insurance company.

Next, the coverage limits offered may not be high enough to meet your needs. If your employer's policy tops out at \$250,000, but you'd feel more comfortable with \$500,000 in coverage, that's a life insurance gap you'd need to fill.

Finally, employer-provided life insurance is tied to your employment status. If you change jobs, your coverage could be terminated or you may have to pay a fee to take it with you.

Why you should consider buying a personal life insurance policy

If you're unsure whether your employer-provided life insurance is enough, the smartest step to take is determining whether it covers your needs. If you have a group plan or a supplemental plan that only provides a year or two of income replacement, buying more coverage is usually the way to go.

Think of life insurance coverage as a safety net for your family. You want to be sure your loved ones are financially protected if the unexpected happens. Employer-provided life insurance is a step in the right direction, but don't limit yourself to your company's coverage alone.

After all, life happens. You may switch jobs, get laid off, experience a disability or retire early. Life insurance outside of work can help position you to navigate different life stages and changes without putting your family's financial security in jeopardy.

For find out more about life insurance or if you're interested in purchasing a policy, please contact a benefits representative at Gallen Insurance.

Reach out to Mike, Jay or Brin in our Health & Life Department by calling 610-777-4123

