isolved | Case Study

Bringing Individual Life Insurance To The Employer Market

Group life insurance was **never** meant to be the **sole source** of life insurance.

52%

of Americans are covered by life insurance

39%

of Americans are covered by individual life insurance

48%

of Americans don't have individual life insurance and many more are under-insured

The Problem

There is a **substantial need** for individual life benefits.

The majority of group life insurance is **not portable.**

Limits are generally **below the full needs** of the employee.

Are you meeting your fiduciary responsibilities as a benefits broker?

Can you solve this problem? **Yes you can.**

The Story

ABC Employer provides both employer-paid and voluntary group term life insurance.

Employer Paid
Group coverage of $50k or more is taxable

$50,000 for employee

Voluntary Paid
Evidence of insurability may apply

up to $300,000 for employee

up to $100,000 for spouse

up to $5,000 per child

Employee scenario:

Two-income family: couple both age 45 with 2 school-age children

Household income of $150,000 with a $250,000 mortgage

Total death benefit needs:	**$1,250,000**
Total obtained through offered benefits:	**$350,000**
Deficit after employer paid and maximum voluntary term buy-up:	**-$900,000**

The Solution

ABC Company introduces individual life insurance:

- Individual policies for **term** and **permanent**
- Majority of employees and spouses qualify for **instant coverage**
- Coverage amounts **up to $1M** for instant

The Results

Employee purchases policies for **$900,000** for **both income providers.**

Two 20-year level term individual life policies for a **combined monthly premium of $92.00.**

Problem solved.

Employer has provided a great benefit!

No costs. No administration. No payroll deductions.

Providing a benefit that is **inclusive** of age, health conditions, and income level.

You have a new long-term customer!

No effort. No quoting. No proposal work. No administration.

Broker **compensation** approximately $550.