

## FOCUS ON:

# Voluntary Supplemental LIFE BENEFITS

BY ELLIE KUYKENDALL, ASSOCIATE EDITOR

**T**he days when individual life insurance agents call on people at home are gone—offering your employees supplemental life insurance through the workplace, even as a voluntary benefit, eases one more pressure on busy employees, who like the idea of being able to buy their supplemental life benefits at work because they trust that their employers have researched the program for them.

Brokers of supplemental life insurance understand the desire of employers to maintain attractive benefits offerings while keeping control of benefits costs and have expanded their voluntary life offerings.

If your company is thinking about changing your voluntary supplemental life insurance program, or you're considering adding one for the first time, the tips below will help you make informed choices.

### HOW TO MAKE SURE YOU GET THE RIGHT BENEFITS FOR YOUR EMPLOYEES

According to Gil Lowerre, president of Eastbridge Consulting in Avon, Conn., HR departments should go through three critical phases for any new benefit program: definition, selection and evaluation.

Definition of your plan includes “understanding your employee base and the people you recruit from, as well as the standards in terms of benefits offerings for each population,” said Lowerre.

When designing the RFP, HR departments have to be aware of what's happening in the industry, what changes are going on and what brokers will be offering. A good broker



will shop benefits among a representative sample of carriers. Make sure you have clear objectives.

“Carrier companies are not as similar as they were in the past. The product variations are there today and employers need to be more careful that their broker or consultant samples a large number of companies and is bringing the best of breed when he or she makes a recommendation,” said Lowerre.

Selection of the carriers you choose to provide voluntary supple-

mental life insurance is the second step toward ensuring a successful program. Once you have the recommendations of your broker or consultant, compare the offerings of each carrier down to minute details in order to have a program that works for your employees. According to Lowerre, your carrier should have the following characteristics:

- High ratings in the insurance industry
- Clear and easy-to-understand administrative processes for billing, combined billing and reconciliation

## SUPPLEMENTAL LIFE

We asked top voluntary supplemental life insurance plan providers six questions that would help benefits and compensation professionals choose a provider that's right for them.

1. Which supplemental life product lines do you offer?
2. What group sizes do you focus on?
3. Do you offer guaranteed issue?
4. What is the minimum/maximum face value?
5. Do employees have choices of various levels or must they take a standard level?
6. What are your portability or convertibility provisions? If an employee quits, can s/he take it with him?

### AETNA LIFE INSURANCE COMPANY

151 Farmington Ave., Hartford, CT 06156

860-273-0123 – [www.aetna.com](http://www.aetna.com)

Ron Barto; 860-273-3048; [bartor@aetna.com](mailto:bartor@aetna.com)

- Supplemental Annual Renewable Term Life Insurance and Group Universal Life Insurance
- Groups of ten or more, with no maximum group size.
- Yes.
- Flexible minimums and maximums, dependent upon group size, industry type and expected participation in the program, and other factors assessed by our underwriters.
- Multiple choices are available to employees either as a multiple of their salary, or as increments of specified dollar amounts up to a maximum allowable coverage per individual.
- We offer portability and conversions for each product. The employee must no longer work actively for the employer for either option. Neither portability nor conversion requires medical underwriting. Certain coverage maximums may apply. Employees may convert the total amount or a portion of the coverage within a specified period after employment terminates.

**“Aetna has differentiated our life products by expanding the benefits and services available to insured members throughout their lives, for their caregivers and loved ones during end of life stages, and to beneficiaries and loved ones after the member has passed away.”**

—Ron Barto, head of Voluntary Products and Services in Aetna's Group Insurance business.



### AFLAC

1932 Wynnton Rd Columbus, GA 31999

706-323-3431 or 800-992-3522 – [www.aflac.com](http://www.aflac.com)

Karen Riedel, 2nd Vice President and Director of Product Development. 800-992-3522

- Term Life – 10, 20, 30 years (return of premium with 20-Year Term and 30-year Term policies). We refer to these products as the Life Protector Policy series.
- Small to medium-sized accounts. Product is geared toward middle-income market (\$25K-\$75k annual income)—a market that has been frequently overlooked in the life insurance category.
- Yes – Aflac products are guaranteed-renewable.
- \$10,000 - \$200,000 (\$5,000 per unit)
- Employees can choose face amount with optional riders (Riders include Accidental Death Benefit, Spouse 10-Year Term, Child Life Insurance)
- Policies are portable—an employee can take policies with them when s/he stops or transfers employment

**“Aflac life products are designed for average, hard-working families. Our products include easy-to-understand policy language, affordable coverage and features such as return of premium. Most importantly, we promptly deliver on our promises.”**

—Karen Riedel, 2nd Vice President and Director of Product Development.



### ALLSTATE WORKPLACE DIVISION

1776 American Heritage Life Drive, Jacksonville, FL 32224

904 992-1776 - [www.allstateatwork.com](http://www.allstateatwork.com)

Phil Brimer, Field Vice President, 434-528-4131, [pbrimer@allstate.com](mailto:pbrimer@allstate.com)

- Universal life and term
- Allstate Workplace Division provides products and services to help satisfy the insurance needs of middle America regardless of the size of the company for which they work.
- Yes for most products. Participation and account size requirements apply.
- Varies with product and state, but generally for voluntary life insurance \$5,000 minimum/\$100,000 maximum on simplified issue. Larger amounts underwritten.
- Employees have choices.
- Vary by product and by state, but most workplace products are portable; most group products convertible.

**“The Allstate Workplace Division UL portfolio provides the diversity of three different policies, as well as one of the most complete worksite product portfolios and the best value proposition in the industry.”**

—Phil Brimer, field vice president



### AMERITAS WORKSITE BENEFITS

5900 O Street, Lincoln, NE 68510

888-603-0394 – [www.worksite.ameritas.com](http://www.worksite.ameritas.com)

Steve Clabaugh, CLU, ChFC, Vice President – Worksite Marketing, 402-467-7341, [sclabaugh@ameritas.com](mailto:sclabaugh@ameritas.com)

- We offer Acacia Flex Account Elect universal life insurance, underwritten by Acacia Life Insurance Company.
- Groups ranging from 2 lives to 30,000+ lives, however, we focus on groups with 100+ lives.
- Simplified issue rather than guaranteed issue. Minimum is \$5,000 with a maximum of \$100,000 on simplified issue basis—higher amounts with full underwriting.
- Choice of any amount based on specific face amount or specific price range. Employees can mix universal life insurance with term insurance. Employee spouses can purchase the same amount of coverage as the employee.

- Easy-to-use enrollment procedures that are polished and will cause the least amount of disruption in the workplace.

Your broker and/or consultant selection is also important. Use a consultant who is well-respected and a broker who offers you choices but does not forcefully try to get you to choose a certain carrier.

Evaluation is vital when it comes to your voluntary supplemental life program offerings. If your definition was clear, your objectives will be met. Lowerre suggests asking the following questions: "If you added a

new benefit to increase employee satisfaction, did it improve?," and, "If you wanted to improve cost structure, did it improve?"

The changes in the insurance field are exciting for employers. Employees are willing to bear the cost of voluntary supplemental life insurance benefits, and this helps employers save money.

By following the suggestions above, you'll be well on your way to establishing or changing an important part of your employee benefit programs.

## PROVIDER PROFILES

- We offer an individual product so the employee owns it. They can take it with them and continue to pay the same premium amount, so no need for conversion.

**"At Ameritas, we believe offering employees affordable, portable universal life insurance is a "best practices" approach. Purchasing a personally owned policy, in combination with a group plan, enables employees to protect their families now and in the future."**

—Steve Clabaugh, vice president – Worksite Marketing.



### BOSTON MUTUAL LIFE INSURANCE COMPANY

120 Royall St. Canton MA 02021

800-669-2668 – [www.bostonmutual.com](http://www.bostonmutual.com)

Peter Tillson, VP Worksite Marketing, 1-800-669-2668 x248, Peter\_tillson@bostonmutual.com

- We offer a voluntary interest sensitive whole life product at the worksite.
- Employer groups consisting of 100-100,000 eligible lives.
- BML is one of the few companies that offers true guarantee issue. Employees may purchase up to certain limits provided only that they are actively at work.
- Maximum face amount is the lesser of the amount purchasable by \$20/wk or \$126,000.
- Employees may choose the coverage that best suits their needs.
- Product is completely portable when an employee leaves his or her employment.

**"Our product is notable for the consumer guarantees intrinsic to a whole life offering, its very liberal posture on guarantee issue, generous commission schedule and our corporate commitment to peerless administration."**

—Peter Tillson, VP Worksite Marketing



### COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

1200 Colonial Life Boulevard, Columbia, SC 29210

(803) 798-7000 – [www.coloniallife.com](http://www.coloniallife.com)

Pam Jenkins, Product Manager, Product Marketing, (803) 798-7000, PLJenkins@coloniallife.com

- Voluntary universal life, voluntary whole life and voluntary individual term life and group term life.
- Our primary focus is accounts with less than 500 lives.
- Yes, on certain products with a participation requirement based on account size and a face amount limit based on the applicant's age. Several underwriting levels are available, depending on the face amount of coverage applied for.
- From \$5,000 to an unlimited amount, based on underwriting.
- Applicants can choose the coverage amount that best meets their life insurance needs.
- All individual life products marketed are portable. Employees can take the coverage with them if they change jobs or retire with no increase in premium. Term products are convertible to any cash value product available at that time, with premiums based on current age and face amount of coverage.

**"Colonial brings much-needed voluntary benefits solutions to the marketplace, such as a wide variety of benefits enrollment options and services, benefits communication for employees, a broad spectrum of voluntary insurance products, and superior service to accounts and policyholders."**

—Mary Milling, vice president, Marketing, Colonial Supplemental Insurance



### ING EMPLOYEE BENEFITS

20 Washington Avenue South, Minneapolis, MN 55401

612-372-5512 – [www.ingemployeebenefits-us.com](http://www.ingemployeebenefits-us.com)

Curt Olson, President, ING Employee Benefits US, 612-372-5360, curt.olson@us.ing.com

- Group Annual Term Supplemental Life is available to employee and spouse. Child dependent life coverage is available.
- Target market is employer groups with 250+ employees
- Yes
- Minimum is \$10,000 or 1X pay; Maximum is \$2,000,000 (Combined Basic & Supplemental)
- Typically, the employer selects a flat amount or multiplier of salary. The employee can choose.
- Portability can be provided through an additional benefit under standard supplemental. If the employer selects portability, the employee has the option of porting the coverage. Conversion rights are offered.

**"ING is proud of our broad product portfolio. Couple this with our incredible financial stability and ratings and it's easy to see why we've been a leader in this market for more than 80 years."**

—Curt Olson, president, ING Employee Benefits US



### KMG AMERICA CORPORATION (Kanawha Insurance Company)

12600 Whitewater Drive, Minnetonka, MN 55343

866-820-5642 – [www.kmgamerica.com](http://www.kmgamerica.com)

Sylvia Knight, 800-635-4252, ext. 5956, Sylvia.Knight@KMGamerica.com

- Group Supplemental Term, Group and Individual Level Term, Individual Whole Life
- Group Supplemental Term is available to employer groups of 100 or more employees. Level Term and Whole Life is available to small and large employers.
- Yes
- From \$5,000 to \$5,000,000, depending on product
- Employees, spouses and children can elect various coverage amounts based on case underwriting parameters.
- Yes. Group Supplemental Term and Level Term—are both portable and convertible; Whole Life is individually owned and portable.

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**“Our voluntary life products allow employers to customize their benefit offering to include unique features such as living benefits (CI, LTC, etc.), EAP, work life resources, beneficiary counseling, personalized benefit communication and enrollment.”**

*—TJ Gibb, vice president, Marketing*

## METLIFE

200 Park Avenue, New York, NY 10166

1-800-MetLife- [www.metlife.com](http://www.metlife.com)

1-877-MET-BtoB

- Supplemental Term and Dependent Life, AD&D, Group Universal Life and Group Variable Universal Life
- Groups from 5 to 25,000 or more employees.
- MetLife does Guarantee Issue life coverages provided the employee is Actively at Work on the effective date of coverage.
- This varies with each customer’s plan design and the employer’s unique benefits needs.
- This varies with each customer’s plan design and the employer’s unique benefits needs.
- Conversion privilege applies to all MetLife Group Life coverages. Portability is an optional feature for Supplemental Term Life coverage. Both Group Universal Life and Group Variable Universal Life are generally portable products.

**“MetLife customized benefits solutions meet the specific needs of each company and its employees. MetLife promotes employee communication, education and enrollment; this helps increase plan participation rates—thus maximizing the value of this group benefit.”**

*—Graham Cox, MetLife vice president, Group Life Products.*



## THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA (Guardian)

7 Hanover Square, New York, NY 10004

212-598-8000 – [www.guardianlife.com](http://www.guardianlife.com)

Customer Service, 1-866-425-4542, [www.guardianlife.com](http://www.guardianlife.com)

- Term life, Accidental Death and Dismemberment, Guaranteed Universal Life
- 10-500
- Yes
- Typically, \$10,000 / \$500,000, but may vary based on case specifics.
- Employees may either select a multiple of their salary or from an array of flat amounts, depending on the plan design.
- Employees can continue their life coverage (port) through Guardian upon termination of their employment for reasons other than injury, sickness or termination of the policy. Conversion allows terminating employees and their insured dependents to convert group term life coverage to a permanent whole life policy without supplying evidence of insurability. State laws may affect types of policies and amounts.

**“Guardian ensures a hassle-free worksite experience. Our Certified Enrollment Specialists and toll-free Employee Benefits Hotline educate your employees about their voluntary product options. Guardian’s Enrollment Success Plan simplifies enrollment by waiving minimum participation requirements.”**

*—Tony Borelli, associate actuary, Group Life and Disability SBU*

## TRANSAMERICA WORKSITE MARKETING

1400 Centerview Drive, Little Rock, AR 72203

866-872-6726 – [www.transamericaworksite.com](http://www.transamericaworksite.com)

Joe Childers, 800-400-3042- ext. 1172, [jwchilders@aegonusa.com](mailto:jwchilders@aegonusa.com)

- Term Life, Voluntary Universal Life
- 10 and larger
- Yes
- \$5000-\$150,000
- Yes
- Yes. We offer both. Employees may choose to take the UL policy with them and pay us directly. For our Term products, the employee may keep the coverage and pay direct (as long as the group master policy remains in force) or convert to permanent coverage.

**“Transamerica Worksite Marketing offers one of the strongest portfolios in the voluntary benefits marketplace, featuring attractive life offerings and one of the most innovative supplemental health portfolios among its peers, backed by impressive service levels.”**

*—Randy Clarkson, president, CMO*



## TRUSTMARK VOLUNTARY BENEFITS SOLUTIONS

400 Field Drive, Lake Forest, IL 60045

847-615-1500 – [www.trustmarksolutions.com](http://www.trustmarksolutions.com)

Janet Buzil, 847-283-3149, [janet.buzil@trustmarksolutions.com](mailto:janet.buzil@trustmarksolutions.com)

- Universal Life and Term Life
- Groups with 100 or more eligible employees
- Yes
- \$5,000; \$300,000
- Employees can choose their face amount.
- Coverage is fully portable. Employees can keep their policies even if they change jobs or retire.

**“As the only carrier packaging Living Benefits for LTC with Death Benefit Restoration and Extension, our insureds can receive the full death benefit—and 50 months of LTC benefits—that’s three times their face amount.”**

*—Joe Pray, vice president, Sales and Marketing, Trustmark Voluntary Benefit Solutions.*



## UNUMPROVIDENT CORPORATION

1 Fountain Square, Chattanooga, TN 37402

423-755-1011 – [www.unumprovident.com](http://www.unumprovident.com)

Debbie Cecil, 423-294-8293, [dcecil@unumprovident.com](mailto:dcecil@unumprovident.com)

- Interest sensitive whole life, Universal life, 10/10 yearly renewable term and group voluntary term coverages.
- Coverage options are available for all market segments, focusing on the 100+ life segment.
- Yes, subject to participation requirements.
- Minimum face of \$2,000, maximum of \$200,000
- Choices with a range.
- All products/coverage are portable. The 10-year term product is convertible.

**“UnumProvident provides excellent benefit communications and industry-leading enrollment solutions. We understand that clear and consistent communications of benefit offerings can strengthen employee loyalty, maximize awareness of total benefits package, and lead to higher program participation.”**

*—Neiccie Durrence, vice president of product management.*

