

# GROUP LIFE INSURANCE

## DEFINITION

Life insurance offered by an employer or large-scale entity (i.e. association or labor organization) to its workers or members. Group life insurance is typically offered as a piece of a larger employer or membership benefit package.

By purchasing coverage through a provider on a "wholesale" basis for its members, the coverage costs each individual worker/member much less than if they had to purchase an individual policy. Those receiving coverage may not have to pay anything "out of pocket" for policy benefits or they may elect to have their portion of the premium payment deducted from their paycheck.

The employer or organization purchasing the policy for its workers or members retains the master contract. People who elect coverage through the group policy receive a "certificate of credible coverage," which will be necessary to provide to a subsequent insurance company in the event that the individual leaves the company or organization and terminates their coverage.