

May 26, 2011

Benefit Facts Article - by Brian Bulger

Group Life Insurance Should Be Just One Part Of Your Over All Life Insurance Coverage

If there's one thing I'm passionate about it's Life Insurance. One of the reasons for this is because two to three times per year on average I have the duty of delivering life claim cheques to the beneficiaries of recently deceased participants of the more than 325 firms that I provide group insurance plans to. This may sound like a rather unpleasant job, but it's actually quite gratifying to be able to be of some help at such a sorrowful time. I've been doing this for more than 25 years and someone made the remark to me a number of years ago, " That I'm the only one who meets with the family with money in hand, whereas all the other key people involved are looking to get paid for their services."

Besides the passing of the insured person, what I find distressing is the fact that most of the time the deceased person has little or no other life insurance in place and has not made sufficient provisions to enable their family to continue with their present life-style. Some families are left down right destitute, because the deceased person was the main income earner, they had debt and like many people they didn't have an emergency fund and lived from paycheque to paycheque. It's therefore not uncommon for people left in this position to have to sell their home and even file for personal bankruptcy; What a horrid position to be left in.

Having a shortfall of life insurance, by the way, exists with people from all walks of life and all levels of income, and based on my experiences there's a high probability that **you** may be one of them.

Most benefit plans today provide a minimum amount of life insurance coverage for the employees, which could be \$15,000 to \$30,000 or in some cases an amount equal to one year's income. As you know, in today's world that's not a lot of money. And when you consider that the cost for final expenses is \$12,000 to \$15,000 that doesn't leave surviving family members with much money to face the future with.

When purchasing life insurance you should keep in mind that the amount of coverage should pay for your final expenses, outstanding debts and the replacement of future earnings!

Calculating your life insurance requirements involves comparing your debts and other liabilities to your assets, as well as setting goals for what you want your policy to achieve. A Life Insurance Broker/Agent will help you make the calculations and explain your options at no cost to you. There are between 40 to 50 leading life insurance companies operating in Ontario. The difference in premium costs among these companies for the exact same product can be considerable, so I strongly recommend calling a minimum of two Brokers when making inquiries. Also, if you have a spouse make sure that you're both fully involved when shopping for your coverage. And lastly, don't make the mistake of putting it off. We're all going to bite the biscuit one day; We just don't know when.