

A person with unfilled obligation dies (i.e.) premature death cause economic insecurity.

Unfilled Obligation: education of children/a family to support/mortgage payments to be made on a house

Three-Legged Stool of Premature Death

I. Government: CPP survivor benefits, (2)

Worker's comp survivor benefits (4)

II. Employers: Pension Plan Death Benefits. (2)

Group Insurance benefits.

III Individual: RRSP/RRIF death benefits (2)

Other savings (2)

Insurance.

Group Life and Accident Insurance

Highlights: the most common group benefit in Ca.

usually renewed annually

provides lump sum benefit to eee's designated beneficiary

Key feature: little/no underwriting is done.

Eees are taxed on any group Ins premium paid by e'er, Death benefit paid are not taxable.

How Group Insurers protect themselves:

- a) issue group life insurance contracts with overall maximum on amount of insurance per life and a lower non-medical maximum per life

- b) require 100% participation by all eligible ees, if the e'er pays 100% of the premium.
- c) agree to each e'ee for only year only, rate adjust annually based on e'ee's age.

Conversion of Group Life Insurance.

E'er under 65 must be provided a chance to convert their group life insurance to an individual insurance policy in case of termination of employment or group life plan.

Must be converted within 31 days of termination of employment/plan.

Allows e'ee to purchase an individual policy from the insurer

E'ee can convert to a one-year term, a term to 65 or a whole life policy.