

Webinar: Employee Whole Life As a Financial Benefit for Your Team

Let's face it: Talking about life insurance isn't always the easiest thing to do. It makes us grapple with our mortality — it can be kind of depressing to think about.

But, it's something essential for people who haven't accumulated enough savings to cover their loved ones should they die young. It can be liberating and put a mind to peace to know your loved ones will be provided for should you pass away early or unexpectedly.

Problem is, most Americans don't have enough life insurance. Only 54 percent actually carry a policy according to the Life Insurance Marketing and Research Association ([LIMRA](#)), and about half of those with insurance are underinsured. The percentage of insured has gone down over the past decade, in part because of a decline in employers offering group life insurance benefits.

But, the intent to purchase life insurance is at an all-time high, perhaps a response to the pandemic we face. That same LIMRA survey shows thirty-six percent of Americans plan to purchase life coverage over the next year.

All of this to say that life insurance continues to be a crucial topic. We had an opportunity to sit in on a recent [FinDec](#) webinar. They're a full-service financial advisory and services firm and a client of Bear Icebox Communications.

FinDec COO Raquel Morris hosted the event and spoke with financial services professional Sarah Smith representing New York Life Insurance Company to cover the ins and outs of employee whole life and group plans companies can offer employees. The 30-minute webinar was packed with important information and questions, but don't worry if you missed it or forgot to take notes because we've got a recap for you.

What is Employee's Whole life?

The New York Life Insurance offers a unique insurance package for small business owners called Employee's Whole Life. Its purpose is to inform small business owners of the options that are available to their employees and make sure that everyone is protected. Smith notes that, too often, employees are not properly insured or are not insured at all because they have not been taught that insurance is a necessity, rather a protective measure. It's a common mistake for people to sign up for life insurance and think they've covered all their bases. While Employee's Whole Life does revolve around life insurance, there are many other bases that need to be covered, that's why there's a handy insurance checklist.

The Financial Foundation's checklist consists of:

- Health Insurance
- Life Insurance
- Umbrella Insurance
- Living Will
- Trust
- Disability Insurance
- Emergency Savings
- Debt Management
- Long-Term Care
- HomeOwners Insurance
- Charitable Contributions
- Auto Insurance

Each of the items in the checklist can be useful tools to help someone retire the way they want. Essentially, the goal is to get someone to a place of feeling at ease with their financial situation by the time they stop working and bringing in income. If one block is missing from the above foundation, it can all crumble and leave people vulnerable, unless they are independently wealthy or have a major family safety net.

While the concept of signing up for life insurance sounds rather simple, it can sometimes be harder to get life insurance than to buy a home. This depends on your health and the type of insurance you're applying for. For example, long-term care insurance is notably challenging to get approved for, particularly when you're the age you need it. There are a lot of people who don't qualify for life insurance due to a pre-existing condition and are rejected time and time again for life insurance. However, these are the people who often need it the most. So, how can Employee's Whole Life help them? Well, first you need to understand the difference between term and permanent insurance.

You can likely tell by the name that term insurance is temporary, like renting a home. Permanent insurance builds a cash value over time — so, keeping to this analogy, you might think of it more like investing in a home. They are completely different, but many people consider a combination of both to cover all bases. So, what do you need to be eligible for Employee's Whole Life?

The only eligibility requirement to receive the New York Life Insurance's Employee's whole life is that you are employed. That's it. Moreover, the employee owns the policy. While an employer provides it initially, the policy stays with the employee even if they switch jobs. The insurance policy remains. Employees can also insure children and spouses through New York Life Insurance Employee's Whole Life. The insurance can be deducted from payroll and coverage is immediate, even when the first payment has yet to be made. The employee can cancel their insurance and keep the coverage on the dependents and the death benefit continues to increase and grow equity, but the cost never does. Here is a comprehensive list of the New York Life Insurance Benefits as covered in the webinar:

- Permanent Life Insurance
- No Physicals or Medical Exams
- Pre-Existing Conditions 'OK'
- Available for Employee, Spouse, Children & Grandchildren
- Employee \$200k Max
 - Spouse/Children/Grandchildren— 25k Max
- Coverage Stays with Insurance Even After Separation of Employment
- Premiums will Never Increase
- Guaranteed Death Benefit
- Builds Cash Value
- Can Pay Dividends
- Immediate Coverage
- Premiums Payroll Deducted
- Additional Term Insurance and Financial Services Available Individually

While no one wants to think about anything bad ever happening to them, their spouse or, worst, their children, it is important to be insured in case anything ever does happen. If your children become ill in the future and you insure them under Employee Whole Life Insurance, then their insurance will stick with them for life, despite their condition. Even after your children turn 26, the policy continues. Their death benefit would continue to grow with them through life and the more you save, the more it grows. If later in life you decide that you don't want to pay for their insurance, you can even make them the owner.

New York Life Insurance has more information about Employee's Whole Life [here](#). Or, feel free to reach out [directly to FinDec](#) — they work with New York Life Insurance directly on these types of programs for small businesses.