

Group Life Cover

Did you know...group life insurance

Group life cover pays benefits in the event an employee dies whilst employed by their employer. This benefit is usually provided by a registered pension scheme, or sometimes an excepted scheme. Where the benefit is insured by a group life insurance policy, there are some lesser known benefits associated with the policy.

Cover for employees during medical assessment: 'temporary cover'

This means an employee can continue to be covered for their death benefits, subject to some restrictions, while they are being medically assessed. This might be because of the amount of their benefit or because they joined the policy after their first opportunity to do so.

If the employee dies during this period, benefit will be payable subject to a pre-existing conditions exclusion. This means if the death is related to a previously diagnosed condition, the benefit payable will not include the amount being assessed. However, if the death is as a result of an accident, the full benefit will be paid.

Cover for absent employees: 'temporary absence cover'

This means an employee can continue to be covered for their death benefits when they are absent from work as a result of accident or illness, or for any other reason. The duration of cover is usually longer where the employee is absent due to accident or illness.

The 'any other reason' can include maternity leave, adoption leave, paternity leave, gardening leave or any other authorised leave which can be agreed with the insurer. The main requirement is that they remain an employee of the company.

The employee is covered for the benefit they were entitled to the day before they were first absent. Often the insurer can agree to increase the benefit each year in line with the employer's general salary increases that are applied across their workforce each year.

Cover for redundant employees: 'redundancy cover'

This means cover can continue for an employee that has been made redundant i.e. beyond the termination of their employment with the employer. The period for which they are covered can vary.

If a member's employment was terminated by way of a compromise or settlement agreement, often this can be treated as if they were made redundant, and be covered.

The benefit payable is based on their earnings or benefit amount immediately prior to their date of redundancy. This cover usually stops when the ex-employee takes up paid employment elsewhere.

Want to know more?

Contact us on 0800 917 2111 or email ebnewbusiness@metlife.uk.com. Our friendly teams will be happy to help.

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