

Group Life Cover

What is group life insurance?

This type of insurance policy works in a way that the policy taker and provider take out one insurance contract to cover a group of persons as opposed to take out a contract for each party. In most cases, the policy owner could be an employer who takes the cover under one insurance contract to cover his employees.

How do I know I am covered?

Under this policy, the policy owner retains the actual insurance policy, referred to as the master contract, and all of those who are covered will normally get a certificate of insurance that acts as a proof of insurance. The certificate of insurance is the actual insurance policy.

In Kenya Group Life Cover may pay a lump sum of money to the family or beneficiaries of a deceased member.

Why take out a Group Life Cover?

Benefits of this cover are two fold; to the employee and the employer

a) Benefits to the employee

- When it comes to tax, the premiums paid on the employee's behalf by the employer are not treated as taxable benefits
- This cover usually provides peace of mind and reassurance to the employee
- On the other hand, the family's financial future is secured as the benefits are paid in case the member dies

b) Benefits of group life cover to the employer

- The employer's company is able to attract and retain high quality employees because of the benefits that come with this type of policy

- The employer is able to assist employee's family, at their most vulnerable time. This is especially important because of the ever rising cost of health care in the country
- It provides a 24-hour cover against death and disability resulting from accidents and illness. No human understands when sickness can strike and being ready for such eventualities is a great advantage especially at the place of work
- There is an automatic addition or deletion clause for members joining or leaving the scheme after its start date. This is convenient for employers as at the time of sacking or departure of employees, the policy is not shaken
- This policy also provides for the sharing of profit option.