

Voluntary Payroll Deduction Insurance

WHY OFFER VOLUNTARY LIFE PRODUCTS TO YOUR EMPLOYEES?

Policy Form CLI-142 Payroll Deduction Term 20
Policy Form CLI-157 Payroll Deduction Term 10
Policy Form CLI-153 Payroll Deduction Term 20 ROP
Policy Form CLI-146 Payroll Deduction Whole Life



The program

Voluntary benefits allows you to bring the advantage of professional insurance services to employees through your workplace at no direct cost to you. This program is completely voluntary; employees decide whether or not to participate.

Employees can purchase coverage for themselves, their spouses, children and grandchildren. Employees pay premiums through the convenience of payroll deduction thus simplifying the payment process. Your employees own their policies and if they leave your employment, they can keep the policy.

Many U.S. households continue to be underinsured

According to LIMRA's Facts About Life 2013:

- 30 percent of households have no life insurance coverage; only 44 percent have individual life insurance.
- 50 percent of U.S. households (58 million) say they need more life insurance.
- The average amount of coverage for U.S. adults has declined to (\$167,000), down \$30,000 from the average coverage in 2004.
- While four in 10 households with children under 18 now include a mother who is either the sole or primary earner for her family, among women who have life insurance, their coverage is only 69 percent of the average coverage on men.
- About two in 10 households say they prefer to buy life insurance through the workplace in the future. Top reasons given include:
 - View it as an easy and convenient way to buy, 33 percent
 - Believe it will cost less or be a better value, 26 percent
 - Trust their employers, 20 percent
 - Like the ability to have premiums deducted from their paychecks, 13 percent

Competitive products

- Whole life level pay and Paid Up at age 65
- 10- and 20-year term life
- 20-year term return of premium life

- **Competitive products**
- **Family members eligible**
- **Ease of payroll deduction**



Products

Whole Life (WL)

- Unisex and nonsmoker/smoker
 - Level-pay
 - Issue ages 18-70 years
 - Paid Up at age 65
 - Issue ages 18-55 years

Term Life

- Unisex and nonsmoker/smoker
 - 10-year term (level)
 - Issue ages 18-70 years
 - 20-year term (level)
 - Issue ages 18-60 years
 - 20-year term with return of premium
 - Nonsmoker: Issue ages 18-46 years
 - Smoker: Issue ages 18-36 years

Optional Benefit Riders

- Accelerated Benefit Rider
 - Allows advanced payment of the death benefit if insured has been either diagnosed by a physician with a terminal illness or has been, confined continuously for 90 days in a nursing home and is reasonably expected to remain there for the duration of his or her life
 - Maximum lifetime benefit available is lesser of 50 percent of death benefit or \$250,000
 - One advanced payment is allowed per calendar year
 - The minimum benefit that can be advanced is \$2,500
 - No premium cost for rider
- Children's Term Life Insurance Rider
 - Term insurance for insured's present or future children who qualify for coverage
 - One premium covers all children, stepchildren or legally adopted children ages 15 days to 18 years
 - \$10,000 of term insurance
 - Convertible at the anniversary nearest each child's 25th birthday for up to five times the initial amount of insurance without evidence of insurability
- Waiver of Premium Rider
 - Waives premium if totally disabled for four consecutive months
 - All premiums paid from the first day of total disability are refunded
- Accidental Death Benefit Rider
 - Pays an additional benefit amount for deaths that result from an accident
 - Equal to the initial amount of insurance

Determining eligibility

- Employee must be actively at work and working at least 20 hours per week
- Employee, spouse, children and grandchildren are eligible
- Employee is not required to purchase life insurance on self in order to cover eligible family members

List bill

- Minimum of five policies required for list billing
- Individual LifeHorizons products can be issued with full underwriting and included on the list bill

Underwriting requirements

- Simplified Issue
 - Employee, when group doesn't qualify for guaranteed issue
 - Spouse, children and grandchildren
 - Children's Term Life Insurance Rider when group doesn't qualify for guaranteed issue
 - Amount above guaranteed issue
- Guaranteed Issue
 - Groups with 15 or more eligible employees qualify
 - Requires mandatory one-on-one meeting with each employee
 - Any combination of worksite life insurance products can be purchased

Guaranteed Issue Guidelines	
Age	Amount
18-50	\$100,000
51-60	\$75,000
61-70	\$25,000

This is not a policy. For a complete statement of the coverage and exclusions, please see the policy contract. All applicants are subject to underwriting approval. Products and riders are available in most states.

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