

**TERM LIFE VERSUS PERMANENT LIFE  
BENEFITS DURING ACTIVE EMPLOYMENT VERSUS RETIREMENT**

# Understanding life insurance options

**Group term life insurance through the Texas Employees Group Benefits Program (GBP) can help protect against the unexpected loss of life and income during your working years. Often people wonder, though, about needs and protection outside of what an employer offers and beyond active employment.**

This flyer will introduce life through the GBP as compared to permanent (whole) life coverage you can purchase directly from an insurance company – and why both types of protection may be valuable to you. It will also provide insights as to the GBP's life insurance options for retirees, and the considerations that go along with evaluating your needs for optional retiree coverage.

## **Group term life insurance**

Term life insurance through the GBP is initially in effect during your active employment. It provides a cost-effective solution to temporarily bulk up your level of protection during your working years – when an unexpected death would likely have the biggest financial impact on your family.

Savings and any permanent life insurance may be enough to manage end-of-life expenses. When a death occurs during one's working years, however, those financial resources may not be enough to account for the family's ongoing expenses for which they rely on your paycheck.

View a brief video at [LifeBenefits.com/videos/term](https://LifeBenefits.com/videos/term) for a better understanding of why the temporary nature of this employer benefit may play an important part in protecting your family's financial future.

## **Permanent life insurance**

Permanent life insurance is a solution well suited for end-of-life expenses – such as medical bills, funeral costs, estate management, etc. It's generally more expensive than term insurance, due to its lifelong nature. It can, therefore, be something you select as your base. Purchase only that amount of coverage your family will truly need for final expenses you associate with dying late in life.

## Combination – term + permanent life

In terms of fitting life insurance protection into your budget, you might consider purchasing a small amount of the more expensive permanent life insurance (through an insurance representative) to keep for your entire life. During your working years, you can supplement that by purchasing additional protection with group term life insurance through the GBP.

Permanent life insurance can help your family manage the types of expenses that can be planned for with death. And the term insurance can aid in their adapting to an unexpected loss of your life and income.

## Retiree benefits

If you have health insurance through the GBP, your benefit includes Basic Term Life Insurance that pays \$2,500 to your beneficiary upon your death. You also have options for retiree term life insurance benefits, which you pay for yourself.

As you prepare for retirement, you'll evaluate whether your loved ones need you to continue Optional Term Life Insurance protection through GBP. Consider their financial needs in the face of your death after retirement, along with any other life insurance and savings you have.

## Two options for optional retiree coverage

- Retiree Fixed Optional Life Insurance
  - \$10,000 benefit for a flat monthly premium that doesn't increase with age
- Optional Term Life Insurance
  - Continue or reduce the optional coverage you have in effect as an active employee, one or two times your annual salary at retirement
  - The monthly cost per \$1,000 of coverage continues to increase with age, as it does during active employment
  - Coverage will begin reducing at age 70

As part of managing the cost for many individuals within a large population of retirees, the coverage will automatically reduce (at five-year intervals between ages 70 and 90) to a percentage of the amount you had in effect prior to age 70

Once retired, you may later choose to change to the Retiree Fixed Optional Life Insurance option. As a retiree, you can reduce your optional life insurance coverage anytime of the year—you don't have to wait for your annual enrollment period. You can also drop optional life insurance through the GBP anytime of the year.



## Learn much more

Visit Securian Financial's website to learn more about your coverage options and costs, retiree coverage age reductions, naming beneficiaries, the experience of applying for coverage that requires health questions and much more.

This is a one-stop destination to access information and education about your life insurance benefits. Visit [LifeBenefits.com/plandesign/ers](https://LifeBenefits.com/plandesign/ers).

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