



What is Group Term Life Insurance?

- Group term life insurance is a type of term insurance in which a single contract is issued to cover multiple people.
- The most common group is a company where the contract is issued to the employer who then offers coverage as a benefit to employees. It can also extend to an association for its members.
- Many employers provide, at no cost to their employees and sometimes their tied agents, a base amount of group coverage as well as the ability to purchase supplemental coverage and coverage for employees' spouses and children.
- Members to be covered must be existing for some common purpose (employees of a given organization or members of a given association)

OBJECTIVES

- Introduce various group insurance products/policies
- Basic underwriting and pricing of Group Life Insurance products
- Outline basic claims documentation

Common Group Life Insurance Policies

The various common types of Group Life Policies include:

- Employee Group Term Life Assurance Group Credit policies: 1. Guaranteed schemes
2. Open schemes
- Group Mortgage Protection
- Group Funeral Expenses

Due to changing market demands, there have been innovations towards expanding the product offerings in both local and international markets. Some of the most recent non-traditional Group Life Insurance product offerings include the following:

- Group Critical Illness policies
- Group Endowment Plans

Benefits offered

Death Benefit -usually expressed as a multiple of salary (2,3,4 times annual salary) or on fixed amounts (500,000/=, 1,000,000/= etc)

Permanent Total Disability (PTD) -equal to the death benefit in most cases

Critical Illness (CI) -a benefit expressed as a percentage of the main benefit offered as either accelerated or stand-alone benefits

Last Expense (LE) -a benefit of fixed amount, offered as either accelerated or stand-alone

Retrenchment Benefit-Retrenchment benefit is equivalent to a percentage of monthly salary, subject to a specified maximum of instalments (e.g 3 months)

Why Group Term Life Insurance?

- Low Premiums – Employers save costs by opting for group insurance instead of individual plans, as premiums are generally employer-paid.
- Minimal Requirements – Unlike individual policies, group life insurance requires no medical exams (up to the Free Cover Limit).
- Employee Retention – Offering group life insurance boosts loyalty and reduces turnover.
- Tax Benefits – Premiums paid for group life insurance are tax-deductible under Kenyan tax laws.
- Easy Claims Process – Claims are quick and hassle-free, requiring only essential documentation for processing.

Group Life / GPA/WIBA Combined Solution

This is a comprehensive insurance package that combines three key policies: Group Life Insurance (GLA), Group Personal Accident Insurance (GPA), and Work Injury Benefits Act (WIBA) Insurance. It is also known as Total Employer Benefits Solution (TEBS) and may include medical insurance and occupational pension as part of a single package.

The key advantage of this policy is that it eliminates overlaps between GLA, GPA, and WIBA, ensuring a seamless, WIBA-compliant solution that offers coverage beyond the legally required minimum.

How the Policy Responds:

- If death is due to illness or natural causes, only Group Life Insurance (GLA) pays the benefit.
- If death is caused by a non-work-related accident, GLA pays first, and GPA tops up to reach the policy's set limit.
- If death results from a work-related accident or occupational illness, GLA pays first, and WIBA tops up the benefit to cover up to eight years of earnings.

This combined approach ensures better financial protection for employees while helping employers