

Pros and Cons of Employer-Provided Life Insurance in Canada

Life insurance is a topic that not many Canadians want to talk about, but it is essential that we do. Some Canadians are part of a group life insurance plan that is paid for by their employer. This could be a benefit if the worst-case scenario were to happen unexpectedly.

But does employer-provided life insurance in Canada leave you underinsured? The advantages are clear, but there are also some downsides that you should know.

This article will discuss the pros and cons of employer-provided life insurance plans for Canadian workers.

What is Group Life Insurance for Employees?

Group life insurance is a workplace benefit that is provided by an employer to its employees. The employer will usually pay the premiums on the insurance policy, so all you will need to do is sign the paperwork or sign up through your HR department.

It is a very convenient way to have life insurance and helps keep your spouse or family protected. Group life insurance is also very affordable and is much cheaper than buying your own [life insurance premium](#) with an external insurance company.

Types of Group Life Insurance

Employee Basic Life

This is the most common type of group life insurance available in Canada. It is a standard life insurance premium paid to the employee's beneficiary if they pass away.

The payment is usually either a flat coverage amount or salary-based. If it is a flat coverage amount, the benefit paid to the beneficiary is a set amount according to the plan. When it is salary-based, it is usually a multiple of the employee's annual salary.

Dependent Basic Life

Dependent Basic Life insurance is a policy for employees in the event that one of their dependents passes away. For the purposes of this type of insurance, this usually includes children or a spouse.

The benefit of Dependent Basic Life insurance is usually much lower than any other policy. It is a nominal amount, usually a few thousand dollars, to cover funeral costs for the employee.

Supplemental Group Life Insurance

Supplemental group life insurance can be added to an employee's existing group life insurance policy at their own cost.

Employees can purchase supplemental insurance to add more enhanced coverage that will provide a larger benefit to their beneficiary. It can also include life insurance for a spouse or

