



THE DUPUIS LANGEN GROUP
SOLUTIONS WITH CLARITY

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Benefit *brief*

THE EMPLOYEE SOLUTIONS NEWSLETTER FOR THE CLIENTS
AND FRIENDS OF DUPUIS LANGEN

The Living Life Benefit

The living life benefit sometimes called a life advance or life loan allows a terminally ill plan member access to funds they may otherwise not have available to them. It is a type of loan most group life insurance policies have available. It will allow a plan member with a life expectancy under a predefined time (usually under 12 months) to collect a portion of their life benefit while they are living.

What is it How does it work— A plan member can take a portion of their group life benefit while living if terminally ill with a life expectancy under predefined period. The final life benefit paid to the beneficiary is reduced by the loan amount and any accrued interest.



How it can help¹

- Personal credit score is not required as with other types of loans
- No restrictions on how the money is spent. The member can use it to pay medical bills, take a final trip etc.
- Interest is paid from the final benefit paid to the beneficiary. The member will not have to worry about repaying the loan or interest.

What to consider as a member diagnosed with a terminal illness.

- Taking a life advance will mean a decreased benefit to your beneficiary.
- Check if it will affect any other financial assistance you are already receiving
- If you live longer than the required life expectancy you may be required to pay back any advance payment including interest.



What a plan sponsor should do:

- It is a time sensitive situation, be proactive.
- Review LTD claims with life waivers in place with prior carriers to see if the living benefit is available. If so find out what's required should the disabled member need to access the funds.
- Confirm beneficiary designations have been made and are up to date and confirm original forms are on file.
- If the life benefit amount is based on the member's salary, make sure the reported salary is accurate and up to date.
- Inform all plan members of the option. A person doesn't necessarily have to be on disability to be diagnosed with a terminal illness, it can be a sudden and unexpected.

Submitting a request for a living life benefit is something that should not be left last minute. The plan member and carrier will need time to get all the medical information to confirm the illness and life expectancy. Although it is a difficult discussion to have it is rewarding to be able to help in an otherwise helpless circumstance.

Credit: <https://www.livestrong.org/we-can-help/insurance-and-financial-assistance/converting-life-insurance-into-income>

Group Life and Health Plans * Registered Pension Plans * Group RSPs * Tax Free Savings Account (TFSAs) * Critical Illness Plans
Long Term Disability Plans * Integrated Benefit Solutions * Private Health Services Plans (PHSPs) * Health Spending Accounts (HSA)

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