



AKI

ASSOCIATION
OF KENYA INSURERS



A GUIDE TO _____

Group Life Assurance



1. What is Group Life Assurance Cover?

Group Life Assurance is a practical way to provide life insurance cover to a group of people under a single contract.

It is typically at a lower cost and with a simplified enrolment process. For this reason, Group Life Assurance is often a key component in employee benefit packages. The employer takes up the cover on behalf of its employees. The policy document is in the name of the employer who also pays the premium.

Group life assurance cover can also be taken by affinity groups such as Chamas and SACCOs. In this case, the policy document is in the name of the affinity group and the officials sign the documents. Members of the group each contribute towards the premium.

2. How does Group Life Assurance cover work?

Group life assurance provides the payment of a lumpsum in the event of death of a member covered by the policy. The amount is usually expressed as a multiple of salary or a fixed amount. The lumpsum benefit is paid out to the beneficiaries nominated by the member. Group life assurance covers are annual. Meaning they are renewed every year and premium is paid annually.

3. Why take a Group Life Assurance cover?

The aim of this cover is to aid employers or an affinity group to lessen the financial distress that might befall the dependants of an employee/member upon their death.

To enable employers to attract and retain quality staff as the employees feel cared for and have peace of mind regarding their dependents should they pass on.

4. What is covered under Group Life Assurance

- It mainly covers death from any cause (illness or accident)
- Optional added benefits include:
 - (i) **Permanent total disability cover:** Where payment is made when a medical doctor declares the member is totally and permanently disabled.
 - (ii) **Funeral expense cover:** Where payment is made to cater for funeral costs.
 - (iii) **Critical illness cover:** Where payment is made to the member when diagnosed with a critical illness for the first time.



5. Who is eligible for Group Life insurance cover?

Anyone above the age of 18 years and below 65 years of age. Cover for members who are over 65 years of age will be charged on individual rate basis.

6. What will show that employees or members are on cover?

The insurance company will issue a policy document in the name of the employer or affinity group with terms and conditions of the Group Life Assurance coverage on full premium payment.

7. How is the benefit determined and paid?

- The benefits or lump sum payment are fixed as a multiple of the members annual salary. The most common multiples in the market are three (3), four (4) and five (5) years. Therefore, the higher the salary the higher the benefits to a member's beneficiaries.
- The benefit can also be arranged as a fixed amount. The fixed amount is flexible, where for example one category can be given a benefit of Kes. 5 million while another is given Kes. 2 million. A cover facilitated by an affinity group will only be on a fixed amount..

8. How will my benefits reach my beneficiaries?

- Each member must complete an application form and a beneficiary nomination form, where they specify their preferred beneficiaries and the percentage of benefits each one will receive. Members can update their nomination form as often as needed. If a member appoints minors (those below 18 years), then they are required to appoint a guardian.

9. When does the benefit become payable?

- The benefit becomes payable upon the untimely death of a group member or an employee who is covered.
- Benefit under the Permanent Total Disability Rider also becomes payable when a member becomes totally and permanently disabled.
- Critical illness rider benefits become payable if a member is diagnosed, for the first time, with a specified critical illness. The specified illnesses are cancer, kidney failure, paraplegia, heart attack, stroke, coronary artery bypass surgery and major organ transplant. The Critical Illness benefits will be paid subject to the policy terms.



10. How do I ensure that am covered for the maximum benefits?

- Maximum benefits are a multiple of one's annual salary or a pre-determined fixed sum assured subject to a Free Cover Limit (F.C.L) determined by the Insurance Company. Members whose benefits are below the FCL are covered to their respective maximum covers.
- Members whose benefits are above the FCL will be covered up to the set FCL until they undergo the required medical tests and underwriting is completed for them to enjoy their full sum assured
- The medical examination is carried out by the Insurers approved medical doctor and the cost is paid by the insurer.

11. What is a Free Cover Limit (FCL)?

- Also referred to as the Non-Medical Limit. This is a fixed amount set by the Insurer as a threshold, which, if not exceeded by members' death benefits, no medical examination will be required for the member to join the scheme. The amount of cover up to this limit will be accepted regardless of the member's state of health.

12. Am I required to undertake a medical check-up?

- Any member whose death benefits are above the set Free Cover Limit will be required to undertake medical tests as guided by the insurance company. If below the FCL, medical check up is not required.

13. Where do the members go for the medical check up?

- The insurance company will advise the members whose benefits are above the FCL on the appointed panel of clinics/hospitals/doctors. The medical examiner must not be the members' personal doctor.
- All costs of the medical tests are paid for by the insurance company.

14. What is the Funeral (Last) Expense Cover?

- This is usually provided as a rider benefit under the Group Life Assurance cover. The benefits cater for the funeral costs of a member and the insurance company makes the pay out within 48 hours after notification.





15. How is a Group Life Assurance claim made?

- The employer or group officials notify the insurer of the occurrence of a covered risk e.g. death, critical illness or permanent total disability They also submit the claim documents e.g. death certificate or medical report . The insurance company issues a discharge form to the employer or group officials detailing the benefits to be paid. The claim amount is then paid to the employer / group officials for submission to the nominated beneficiaries.

16. What are the standard requirements to join a Group Life assurance cover?

- Proposal forms completed by the employer/ nominated officials of the affinity group
- Premium must be paid
- Medical examination for members whose benefits are above FCL
- Age limit of 65 years – members above this age can be considered on special terms

17. Can I claim while still alive?

- Yes, there are other benefits payable while still alive including permanent total disability and critical illness.

18. What happens if I leave employment or the affinity group?

- Once you leave the employer or affinity group, you cease to be a member of the scheme.
- However, you can arrange with the insurance company to take up an individual life insurance cover. This means that you are personally entering into a new contract directly with the insurance company. You will be responsible for paying the premiums of this individual policy directly to the insurance company.

19. Can my premiums be refunded?

- No. The premiums are paid in exchange for providing cover in the event of death, permanent disability and critical illness. Once the insurance period of one year has ended, the utilised premiums cannot be refunded.

20. What are the benefits for employees?

- Premiums paid on an employee's behalf by the employer are treated as tax deductible benefits.
- The cover provides peace of mind and reassurance
- The family's financial future is secured through the payments of the benefits in the case of your demise.





21. What are the advantages of a Group Life cover to the employer?

- This is viewed as a good employee benefit and therefore the employer can attract and retain high quality employees.
- Employers can assist employees' families at their most vulnerable time.
- Provides a full proof 24 hours cover in the event of death/disability or critical illness diagnosis.
- Ease of management with automatic addition/deletion -of members joining/leaving the scheme after commencement date.

22. Can Group Life Cover be combined with a Work Injury Benefit cover for employees?

- Yes. Insurance companies offer Group Life WIBA combined solutions to employers. WIBA covers medical bills and liability claims when an employee is injured in the course of their work.

23. What are the benefits of Group Life WIBA Combined Solution?

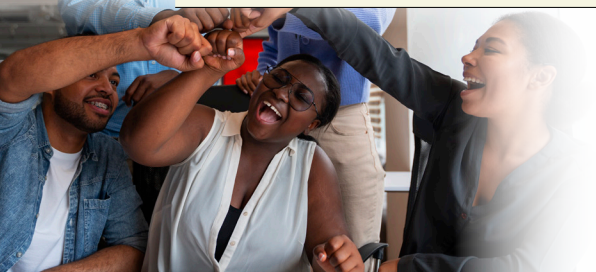
- It is more cost effective to the employer
- It ensures the employer is complying with the WIBA Act while at the same time providing employee benefits.
- It frees crucial resources and allows the employer to focus on critical revenue generating activities
- It is easier to administer as it combines two separate policies and collapses them into one
- The coverage is worldwide and 24 hours and not limited to Kenyan territory
- It is not limited to accidental/occupational causes but also covers natural/illness causes of Disability/Death.





Names of Insurance Companies That Provide Group Life Cover

COMPANY	TELEPHONE NUMBER	EMAIL ADDRESS
ABSA LIFE ASSURANCE KENYA LTD	(020)4209000/0711095000	ALAK.customerservice@absa.africa
APA LIFE INSURANCE LTD	(020)2862000/ (020)3641000	info@apalife.co.ke
BRITAM LIFE ASSURANCE INSURANCE CO (K) LTD	0705 100 100	customerservice@britam.com
CANNON LIFE ASSURANCE LTD	(020)2243126	info@cannon.co.ke
CAPEX LIFE ASSURANCE COMPANY LTD	(020)2712384/0715140074	info@capexlifeassurance.co.ke
CIC LIFE ASSURANCE LTD	(020)2823000	callc@cic.co.ke
EQUITY LIFE ASSURANCE (K) LTD	0764900900	enquiries@equityinsurance.co.ke
GEMINIA LIFE INSURANCE COMPANY LTD	020782150/0709551169	life@geminalife.co.ke
ICEA LION LIFE ASSURANCE COMPANY LTD	(020)2750999/0719071999	contactcentre@icealion.com
JUBILEE LIFE INSURANCE COMPANY KENYA LTD	(020) 328 1000	Talk2uslife@jubileekenya.com
KENINDIA ASSURANCE COMPANY LTD	0111101000/600	kenindia@kenindia.com
KENYA ORIENT LIFE ASSURANCE LTD	0719-042-000	info@orientlife.co.ke
KENYAN ALLIANCE INSURANCE COMPANY LTD	(020) 2284000	contactcenter@kenyanalliance.com
KUSCCO MUTUAL LIFE ASSURANCE CO LTD	(020) 4400019	info@kusccomutual.co.ke
LIBERTY LIFE ASSURANCE KENYA LTD	(020) 2866000	csc@libertylife.co.ke
MADISON LIFE INSURANCE KENYA LTD	(020)2864000	madison@madison.co.ke
OLD MUTUAL LIFE ASSURANCE COMPANY LTD	(020) 2829000	customerservice@oldmutual.co.ke
PIONEER LIFE ASSURANCE COMPANY LTD	(020)7220000	customercare@pioneerassurance.co.ke
PRUDENTIAL LIFE ASSURANCE KENYA LTD	254 719 075 000	customer.service@prudentiallife.co.ke
SANLAM LIFE INSURANCE LTD	(020)2781000	customerservice@sanlam.co.ke
STAR DISCOVER LIFE INSURANCE	0725782754 / 0100782754	info@starlifekenya.co.ke
THE MONARCH INSURANCE COMPANY LTD	(020)4292000 /0724 635 700 / 0733 635 700	info@monarchinsurance.co.ke





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