

## GUEST COLUMN: Guaranteed Issue Life Insurance: Impactful Executive Benefit

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Businesses always aim to attract and keep high-performing leaders on their teams. A new perk getting a lot of notice is guaranteed life insurance. It not only enhances your leadership benefits but also sets your company apart.

Guaranteed issue life insurance should not be overlooked; it could be a compelling factor in attracting and retaining top executives.



Throughout this article, we will explore why guaranteed issue life insurance is a game-changer in the industry, what employers should know about the offerings, and which employers can see the biggest impact from this offering.

### What is Guaranteed Issue Life Insurance?

Guaranteed issue life insurance is simply individually owned and portable life insurance policies, which are provided without the need for medical underwriting – thus eliminating the necessity for laboratory tests, medical inquiries, or submission of medical records. As part of the executive benefit package, the premiums for these policies are covered by the employer.

This insurance coverage is well suited for individuals who may have pre-existing conditions or other factors that make it challenging to qualify for traditional insurance coverage. When attracting or retaining from an

executive talent pool, it's important that your benefit offerings add to your organization's value – and offering guaranteed issue life insurance can help!

### Key Features

Several life insurance carriers offer guaranteed issue life insurance, each with its unique set of requirements. In broad terms, to qualify for coverage, the employer must pay the premium cost and define an eligible class (i.e. executives or senior leadership team), with all members of this eligible class required to submit an application.

Below are additional key features of this life insurance offering:

- No medical exams required: Traditional insurance policies typically require applicants to undergo a thorough medical exam, which is why guaranteed issue life insurance is ideal for individuals with health issues, chronic conditions, or a history of illness.
- No health history questions: These policies normally don't ask for health-related information during the application process, which can make it easier for your executives to secure coverage.
- Immediate coverage: Coverage is bound quickly and efficiently.
- Tax advantages: Premiums for this insurance are tax-deductible for the employer, meaning it is a cost-effective benefit to offer executives. Employees pay tax on the value of the premium and the death benefit is tax-free for beneficiaries, further enhancing its appeal.

### What Employers Should Know about Guaranteed Issue Life Insurance

Executive benefits play a crucial role in attracting and retaining experienced and skilled executives. Offering guaranteed issue life insurance sets your organization apart from your competition and demonstrates your commitment to the financial well-being of your executives and their families. This type of insurance coverage can contribute significantly to employee satisfaction and loyalty.

### **Which Employers Would Benefit the Most from Guaranteed Issue Life Insurance?**

Guaranteed issue life insurance can benefit a range of employers to attract and retain top talent. However, there is a particular set of employers this type of benefit is well-suited for:

- Startup organizations and small businesses: If your organization doesn't have the resources to provide extensive benefits packages, guaranteed issue life insurance provides a cost-effective way to offer highly sought-after benefits.
- Mid-sized companies looking to strengthen their benefits package: If your organization is fighting to attract and retain high-impact talent, this benefit will strengthen your recruiting and retention efforts.

#### **Key Takeaways:**

Employers should consider offering guaranteed issue life insurance as part of their overall strategy to attract and retain top-tier executives, which can enhance employee loyalty and mitigate risk. This life insurance offering can set your organization apart as a leader in the marketplace and can be especially impactful for small and mid-sized businesses. Connect with [your M3 Financial account executive](#) to learn more about this offering.

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