

When Life, AD&D, STD or LTD coverage is based on income, employees are automatically insured for the lesser of their calculated benefit amount or the Non-Evidence Maximum (NEM). The NEM is the maximum amount of coverage available without submitting medical evidence.

Some employees may have questions or concerns, such as why additional coverage is necessary or why they are being asked to complete medical forms. In these cases, it is important to help them understand the value.

Q: Why do I need to apply for insurance above the Non-Evidence Maximum (NEM)? Isn't basic coverage enough?

A: As an employer, we are committed to supporting the well-being of our team - both at work and beyond. You are automatically enrolled in coverage up to the NEM, which is the maximum benefit available without medical underwriting. While this provides a base level of protection, it may not fully reflect your income. Based on your earnings, you are eligible for a higher level of coverage. However, without applying for it, your benefit is currently capped below your full entitlement - leaving you underinsured relative to your income. By submitting the medical evidence required for additional coverage, you can ensure your benefits more accurately reflect your earnings. This means better financial protection for you and your family if the unexpected occurs. We encourage you to take this opportunity to review your coverage and consider applying for the additional protection available to you.

Q: What happens if I don't apply for the excess coverage available to me?

A: You are automatically covered up to the NEM - the amount the insurer is willing to provide without requiring medical evidence. However, any coverage above the NEM is not active unless you apply and are approved through a medical underwriting process. This means that in the event of death or a serious illness or injury, the benefits paid to you or your family may be lower than what you are eligible for based on your salary. In the event of a disability claim, this gap could result in a significant reduction in income, potentially impacting your ability to keep up with household expenses, savings goals, or long-term financial security.

Q: I am healthy. Why should I go through the hassle of applying and providing medical evidence?

A: Being in good health is the best time to apply for additional coverage. When there are no existing medical concerns, you're more likely to be approved for the full amount you are eligible for. If you delay and your health changes, you may no longer qualify for the extra coverage, or may face exclusions or higher requirements. By applying now, you can secure your protection while you're still fully insurable, giving you and your family greater peace of mind for the future.

Q: What if I apply for the excess coverage and am declined?

A: If your application for excess coverage is declined, there is no impact on your existing benefits. You will continue to be insured up to the NEM with no change or risk to your current coverage. Applying simply gives you the opportunity to increase your protection to match your eligible amount, based on your income - with no downside if you are not approved.

Q: I am not sure I can afford the extra cost in premiums for the extra coverage.

A: Managing your budget is important. The good news is that premiums for additional coverage are typically quite affordable, especially when you consider the value of the increased protection. Even a modest monthly cost can significantly boost your coverage, helping you to ensure that you and your family are financially supported if you are unable to work due to illness or injury.

Think of it this way; *if something unexpected happened, would the base coverage alone be enough?* If not, applying for the extra coverage now could make all the difference when it matters most.

* This is not a legal document, and is intended solely for informational purposes.