

# Life Insurance Glossary



This is a list of general insurance terms. For specific terms and conditions regarding a specific plan, please refer to the policy, Joinder Agreement, or Certificate of Insurance.

**Active, Full-Time Employee:** An individual must work for the employer on a regular basis in the usual course of the employer's business to be considered an active, full-time employee and thus be eligible for coverage. Usually, a minimum number of hours of regular work are specified.

**Accidental Death and Dismemberment Insurance (AD&D):** A benefit that provides an amount of money if an insured suffers a loss as a result of bodily injury or loss of life affected solely through accidental means.

**Actively at Work:** The performance of an eligible employee's substantial and material duties of their job at their employer's place of business, or any other place of business to which their employer requires them to travel and satisfying the minimum hour work requirement.

**Administration/Administrative Fee:** A fee for services provided by the agent.

**Annual Enrollment:** A yearly event in which eligible employees are allowed to apply for coverage.

**Applicant:** The party applying for an insurance policy.

**Beneficiary:** The person designated by the insured to receive benefits under the policy if the insured dies.

**Carrier:** The name of the insurance company.

**Census:** A list or spreadsheet of all eligible and/or enrolled employees. Information such as full name, Social Security number, birth date, occupation, gender, date of hire, insurance amounts, and annual salary are generally required.

**Certificate of Insurance:** The document the employee receives explaining their benefits as well as the terms and conditions for those benefits.

**Claim:** A request made by the employee or the employee's beneficiary, for payment of benefits as provided by the policy.

**Contributory:** The employee is responsible for a portion of the premium or full premium amounts.

**Conversion:** An option which allows the insured who leaves the group plan to convert their group life coverage to any plan of individual life insurance with that same insurance carrier, regardless of their state of health. Written application must be made within the 31 day period following termination. The premium will be based on the employee's age on the nearest birthday upon issue, the class of risk to which they belong, and the premium rate in effect on the date of conversion.

**Dependent:** An employee's spouse (who is a non-employee of the employer) and/or their unmarried dependent children usually from age 14 days to 19 years of age or as specified in within the Joinder Agreement. If the eligible dependent is a full-time student, coverage is normally provided until age 26.

**Dependent Life:** An optional benefit that may or may not be included in your plan. It provides coverage for an insured's dependents, usually at the employee's expense.

**Effective Date:** Date which the policy/employee is active.

**Eligibility Date:** The date an employee becomes eligible for insurance under the policy.

**Eligibility Requirements:** The conditions a person must meet in order to be a participant in a group life insurance or group disability plan.

**Employee:** A person who is currently working for the participating employer for wages.

**Employer:** Any participating employer signing a Joinder Agreement and named in the Schedule of Benefits.

**Enroll:** To complete the appropriate enrollment materials with the intention of being approved for the selected coverage.

**Evidence of Insurability (EOI):** A health questionnaire completed by an employee showing that they (or their spouse and/or dependents) are in good health. Evidence of Insurability is often required for coverage over the guarantee issue limit and late enrollees.

**Exclusions:** A specific condition or circumstance for which the policy will not provide benefits.

**Grace Period:** The period of time after the premium due date during which the policy remains in force without penalty or termination.

**Guarantee Issue Limit:** The highest amount of coverage an employee can apply for without being subject to Evidence of Insurability.

**Insured:** An employee and/or his or her dependents who meet the eligibility requirements for coverage under the policy.

**Late Enrollee:** An employee who did not elect coverage within 31 days of the date of eligibility or during a specified initial enrollment period, but now wants to elect coverage.

**Leave of Absence:** Permission to be absent from duty or employment.

**Life Insurance:** Insurance that pays a stated amount of monetary benefits upon the death of an insured.

**New Hire:** An eligible employee hired on or after the effective date shown on the Joinder Agreement and who meets the eligibility requirements for coverage.

**Non Contributory:** The employer is responsible for premium amounts.

**Open Enrollment:** A period of time in which employees may sign up for coverage and may not be subject to Evidence of Insurability.

**Optional/Supplemental Life:** An optional benefit that may or may not be included in the employer's plan. It provides additional amounts of coverage, above what is offered under the employer plan, which an employee can apply for. This additional coverage is usually paid for by the employee and may be subject to Evidence of Insurability.

**Paid-Up Insurance:** A life insurance policy where all premiums have been paid and coverage is still effective.

**Participation Level:** The percentage level of eligible employees versus those who have elected to participate in a contributory coverage. Participation levels are reviewed annually.

**Payroll Deduction:** A premium payment method for individual insurance under which an individual's employer deducts the employee's premium amount from his or her paycheck and sends the premium to insurer.

**Policy:** The filed document each insurance carrier has which explains the benefits they provide as well as the terms and conditions under which both the carrier and employers must abide by.

**Policyholder:** A named person or group that has an insurance policy.

**Portability:** This benefit allows an eligible employee to continue their coverage if employment should terminate under certain circumstances.

**Premium:** The amount of money paid to keep the policy effective.

**Probationary Period:** The continuous length of time an employee must serve in an eligible class to reach their eligibility date.

**Reductions:** A decrease in the amount of benefit upon attainment of defined ages.

**Renewal:** The date the insurance policy renews.

**Schedule of Benefits (SOB):** Part of the certificate of insurance. The schedule lists individual classes, their benefits, and any deviations from the policy.

**Spouse:** A person who is legally married to the insured employee or a domestic partner if specified within the Joinder Agreement/Certificate of Insurance.

**Supplemental/Optional Life:** An optional benefit that may be included in your plan. It provides additional amounts of coverage, above what is offered under the employer plan, which an employee can apply for. This additional coverage is usually paid by the employee and may be subject to Evidence of Insurability

**Termination:** A defined age or time when coverage ends.

**Voluntary Life Insurance:** Group life insurance which is offered through the employer but paid for by the employee.

**Waiting Period:** The continuous length of time an employee must serve in an eligible class to reach their eligibility date.

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