

What are Risk Protection Programs

Risk Protection Programs are often overlooked as benefits for employees and can be difficult for an individual to obtain. These programs provide support to employees should they be unable to work due to an injury or illness and provide coverage for Life, Disability and Critical Illness. Risk protection provides support during traumatic events.

Risk Protection Programs Provide Security for Employees

Many employees do not have any financial support in the event they become disabled due to an injury or illness and are unable to work. Although wellness benefits can cover the costs of treating an injury or illness, most people will have a difficult time paying for necessities if they aren't able to work. Your employees are your best business asset so it is important to them and their families that they can maintain their income as a result of a major illness or accident that could be catastrophic. Adding risk protection to a group benefits program provides employees and their family with the support they need because of loss of income.

Products in a Risk Protection Program

Life Insurance
Accidental Death and Dismemberment
(AD&D)

Short Term Disability (STD)
Long Term Disability (LTD)

Dependent Life
Critical Illness (CI)

Risk Protection Programs Should be Employee Funded

Employees should always fund the risk portion of a group benefits program. Importantly, this will keep the disability income they receive tax free. Also, if an employer funds the risk benefits of Life, AD&D, Dependent Life and C.I., the premiums are considered taxable income to the employee and must be included in their income at tax time. This should be avoided.

Advisor Risk Protection Guidance

A knowledgeable group advisor will outline what employees can expect from risk programs, different plan structures, benefits, tax strategies and expectations of what has been designed. Advisors will outline what the business and their employees can receive and provide the planning portion of a group benefits plan.

Offsetting Premiums

An employer sponsored short term disability plan providing benefits equal to or greater than Employment Insurance (EI) sickness benefits may be entitled to an EI premium rate reduction. This can make providing short term disability a cost-effective consideration.

Expert advisors will explain to employees the benefits and why they should fund the risk protection program.