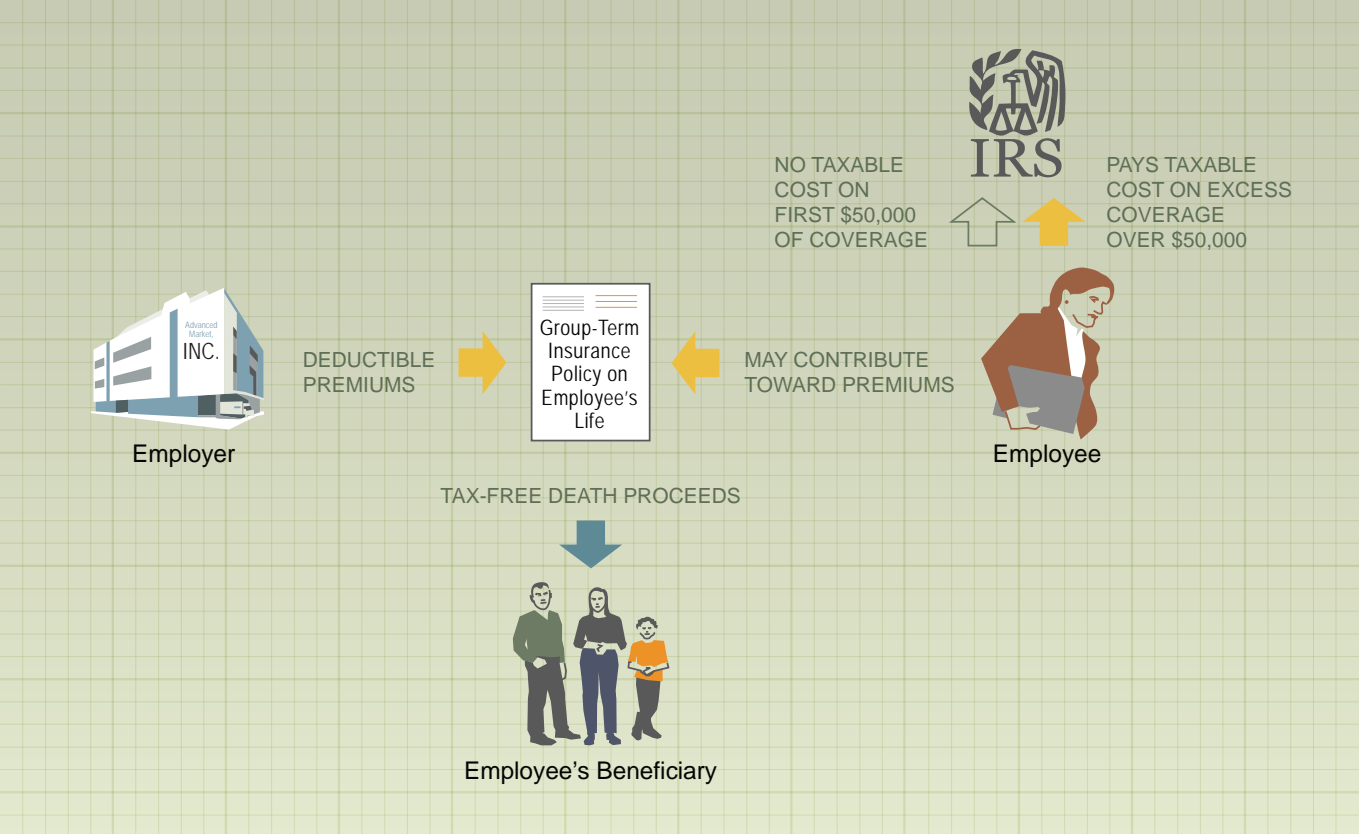


# How a Group-Term Life Insurance Program Works



The employer provides a tax-qualifying group-term life insurance arrangement for employee, and pays some or all of premiums on a tax-deductible basis. (Employee may contribute toward premiums on a non-tax-deductible basis.)

The employee is not taxed on the first \$50,000 of employer-paid group-term life coverage, but pays the taxable cost of any excess over \$50,000.

Upon the employee's death, the insurance company pays federal income-tax-free death proceeds to the employee's beneficiary.

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