

# Life Insurance 101.



About one-third of all families would be financially impacted - in just one month - by the loss of their household's primary wage earner. But luckily, there's a way to make sure your family has the financial means to sustain their standard of living without you. And while it may seem too early to think about the unthinkable, it's never too soon to start living with peace of mind.

## **Our Life Insurance 101 guide will get you up to speed on the tips and benefits:**

### **What is life insurance?**

In the simplest terms, life insurance is a way to financially protect your family or business after you die. It's a contract with an insurance company, in which you pay a premium, and in exchange, they agree to pay a set amount upon your death to the named beneficiary.

### **Why do I need life insurance?**

Inevitably, all of us will leave this world. Life insurance provides financial peace of mind knowing your loved ones will not be burdened with expenses related to medical services, funeral and burial expenses, or other outstanding debts. It allows for them to maintain their current standard of living. Life insurance can also help them pursue the things you want for them, like college tuition, opening or maintaining a business, or paying off a mortgage.

### **Are there different types of life insurance?**

Life insurance is split into whole life and term life policies, both with their own advantages. Individuals may also be offered life insurance through their employers, but the coverage ends when the employment ends. Talk to an agent to find out what the policies cover and what coverage aligns best with your needs.

## **What is whole life insurance?**

As the name implies, whole life insurance is coverage that lasts for your whole life – starting the day you purchase a policy. In addition to this complete coverage, whole life insurance also offers benefits like a guaranteed death benefit, a consistent insurance premium, loan options, additional riders, and more.

## **What is term life insurance?**

Term life insurance gives you protection for a specific amount of time. You can choose to have coverage for a term of 10, 15, 20, or 30 years. Because the policies last for shorter periods of time, they often come with more affordable rates.

## **I have life insurance through my work. Is that enough?**

In some cases, yes. In other cases, no. If you need more life insurance coverage than your employer provides or you own a business or second home, you may want supplemental protection to make sure your family has all they need to face the future without you.

## **How much life insurance do I need?**

The amount of life insurance needed will vary from person to person. Professional financial planners estimate that you should have between eight and 10 times your income as a rule of thumb. But, ultimately, it depends on the amount of money you'd like your family to receive in the event of your passing. To easily determine how much that is, you can calculate the cost of your life insurance needs with our Life Insurance Calculator.

## **Is life insurance expensive?**

Life insurance is much more affordable than most people think. On average, coverage can cost between \$30 to \$60 a month. That could be less than your daily coffee.

## **When should I start considering life insurance?**

It's never too soon to get life insurance. In fact, the sooner you get a policy, the more affordable it will be. Even if no one is financially dependent on you right now, if you're young, healthy, and have a good family health history, you could be rewarded with the best rates. But if you wait, and then find yourself affected by an illness or disease, you won't be eligible for life insurance for quite some time, possibly never. That's why it makes sense to make the decision early, so you can live with one less worry.

## **Who should I talk to about life insurance?**

Because every person, family, and financial situation is unique, nothing beats a conversation with an agent who will get to know you and your needs. After a conversation, they'll help you determine the policy type and coverage amount that's right for you. You may also qualify for discounts on your home and auto insurance if you add a life insurance policy.

Start living life with greater peace of mind and financial security for the future. Talk to one of our local, independent agents today about a life insurance policy that's right for you.