

SHOULD YOU BUY LIFE INSURANCE?

You should probably consider buying life insurance if any one of the following is true:

- You are married and your spouse depends on your income.
- You have children.
- You have an aging parent or disabled relative who depends on you for support.
- Your retirement savings and pension won't be enough for your spouse to live on.
- You have a large estate and expect to owe estate taxes.
- You own a business—and you have a partner.
- You have a substantial joint financial obligation, such as a personal loan for which another person would be legally responsible after your death.

In all of these cases, the proceeds from an insurance policy can help your loved ones continue to manage financially during the difficult weeks, months, and years after your death. The proceeds can also be used to meet funeral and other final expenses, which can run into thousands of dollars.

If you're still unsure about whether you should buy life insurance, a good question to ask yourself is, if I died today with no life insurance, would my family need to make substantial financial sacrifices and give up the lifestyle to which they've become accustomed in order to meet their financial obligations (e.g., car payments, mortgage, college tuition)?



If you need life insurance, don't delay

Once you decide you need life insurance, don't put off buying it. Although no one wants to think about and plan for his or her own death, you don't want to make the mistake of waiting until it's too late. Do some research to find out if you should buy term insurance or cash value insurance. Then go out and shop around.

Periodically review your coverage

Once you purchase a life insurance policy, periodically review your coverage—especially when you have a significant life event (e.g., birth of a child, death of a family member)—and be sure it adequately meets your insurance needs. The most common mistake that people make is to be underinsured. For example, if a portion of your life insurance proceeds are to be earmarked for your child's college education, the more children you have, the more life insurance you'll need. But it's also possible to be overinsured, and that's a mistake, too—the extra money you spend on premiums could be used for other things. If you need help reviewing your coverage, contact your insurance agent or financial professional.