

## ***Five Reasons for Life Insurance***

### **1. Single – Starting Out**

Whether you are starting a career, or a family, MOST people have financial obligations. Student loans with a family member as co-signer. Car loan. Other debts. If you were to die before a loan is paid, your co-signer would be obligated to pay the debt. Under law, a co-signer is responsible for full payment of a debt in the event of default. Death doesn't erase the debt obligation. A life insurance policy naming them as beneficiary could give them enough funds to cover your share of the debt, or perhaps even pay off the entire debt.

Also, getting life insurance early can help **protect and guarantee your insurability** for later in life. Most policies above a \$50,000 death benefit usually require your medical history. Some medical conditions later in life will increase your premiums or lead an insurer to decline to issue a policy. Lock in coverage while you are young and healthy.

### **2. Single - Caring for Children and/or Parents**

If you are caring for your children and/or elderly parents, your costs could include paying for child/adult day care, uninsured medical expenses, extra transportation, maintaining the household, child care, etc. Your death could have a serious financial impact on those that rely on you. They would lose the support you have been providing and would also need to come up with the money for the expenses and debt you leave behind.

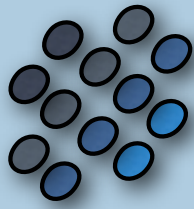
If you are a single parent, the primary financial support for your children would die with you. Life insurance is a cost-effective way to make sure that your children are protected financially should anything happen to you.

### **3. Working Parents/Stay-at-Home Parents**

In today's world, families depend on the income of two working parents. Your incomes help cover the cost of ordinary living expenses such as food, clothing, and utilities, and provide savings for your children's college education and your retirement.

Life insurance protects your family by providing proceeds that can be used to replace your lost income if you die prematurely.

For stay-at-home parents, the cost of services performed could be quite significant if someone had to be hired to do them. If you die, your surviving spouse may have to pay for services such as child care, transportation for your children, and housekeeping. Taking over these added responsibilities could cause your spouse to shorten work hours, resulting in a reduction in income. Proceeds from your life insurance can help your spouse pay for services that keep the household running and allow your spouse to keep working.



## ***Five Reasons for Life Insurance***

### **4. *Business Owner***

If you die as a current business owner, life insurance can be used to provide cash for company expenses such as payroll or operating costs while your estate is being settled. Also, life insurance can be a useful tool for business owners structuring buy-sell arrangements or providing benefits to key employees.

### **5. *Funeral/Final Expenses***

If you died today, who would pay for your funeral? A traditional funeral can cost \$10,000 - \$20,000, so owning a small policy to pay those expenses is a smart idea. If you don't have life insurance, your family would have to incur these costs. Purchasing a final expense life insurance policy that can be used for funeral expenses and noting it in your will ensures that your funeral is financially covered. It can also assist in paying off the debt of the deceased, which often times can be a burden to the living family members left behind.

The simplicity of final expense insurance is that there are NO medical exams required. Also, in most cases, the policies more liberally underwritten than other permanent life insurance policies. In fact, the average underwriting time is generally 3-5 business days.

Most final expense insurance policies have a maximum death benefit of \$25,000, depending on age factors, though some can be as high as a \$50,000 death benefit.