

LIFE INSURANCE

7 reasons life insurance is important

When you purchase a life insurance policy, your insurance company agrees to pay a death benefit to your appointed beneficiary upon your death, assuming you fulfill the terms of your policy. Although your beneficiary can be anyone, policyholders commonly choose to have the death benefit go to a family member, business partner or dependent. Below, we examine six reasons life insurance is important.

1. It can help replace your income

If you are the primary earner in your family, losing your income can negatively affect the financial future of your loved ones. Even if you aren't the primary source of income for your family, they may depend on you for domestic tasks and household needs, such as cleaning, cooking, laundry and childcare.

A life insurance payout can help cover these costs and help ensure your family's quality of life is maintained.

2. It can help cover funeral and burial costs

The average funeral can cost between \$7,000 and \$10,000.^[1] Without life insurance, your family would likely have to pay these expenses out of their own pocket. A life insurance policy can help give you peace of mind that your affairs are taken care of.

3. It can help pay off outstanding debts

Most of us have some debt, whether in the form of a mortgage, auto financing or credit card debt. If you were to die unexpectedly, your loved ones could be responsible for these payments, which could cause serious additional distress. A life insurance policy can help pay for these debts.

4. It can help plan for your child's education

If you're a parent (or planning to be) you might want to make sure your children are afforded the best education possible. If you are planning to pay tuition and other educational expenses for your child or other dependent, life insurance can help cover these costs.

5. It can help keep your business afloat

Life insurance is important for business owners because it can help protect the business from financial loss, liabilities or instability in the case of an owner or business partner's death. You can name a business partner a beneficiary to help them maintain the business and keep operations going.

6. It can help protect your retirement savings

Buying a life insurance policy can help ensure that your family doesn't have to rely on your retirement savings for financial support. If you pass away unexpectedly and your family has to dip into savings, your spouse won't have those funds to rely on down the road.

Having a life insurance policy in place will help allow your family to make the most of other savings opportunities and use those funds how they were originally intended.

Lastly, NO ONE should ever have a monthly reminder of bills from the funeral home or hospital debt to remind them of their tragic loss.

Life insurance locks in the age and the health. It is quite important that a child has this so if the child gets a terminal illness early on or later in life as an adult, the rate and health is locked in and the person is covered. Plus, children policy's are very affordable.

Contact US today for a personal and confidential appointment.