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| **Determining How Much Life Insurance You Need****You should consider having sufficient life insurance to realistically support your family’s lifestyle without spending too much on insurance premiums. Should the worst happen, the policy can pay for existing debts (including the mortgage) and cover everyday expenses.**Parents raising a family seldom think they are going to die prematurely, but there are no guarantees in this life. That’s where life insurance comes in. It provides a stated death benefit in return for your monthly premium payments. Your spouse and children can use the money to replace your income if you’re gone.**Don’t postpone life insurance.** Policy prices are directly linked to your age. Many insurance policies guarantee level premiums for the life of the policy. Even if somewhat expensive now, inflation and higher income can shrink the impact of your premiums over time. By choosing whole life insurance at an early age, you can lock in low rates for the rest of your life. Term insurance is cheaper, but it terminates on a specific date, and you’ll then have to pay higher premiums for a new policy.**Replacing your income.** Your insurance policy should provide enough money to replace your income for at least a decade. The amount should be enough to support your family’s standard of living and account for inflation, or you can add an inflation rider to the policy. The inflation rider may come at an additional cost to your policy, but increases the payout each year by an agreed amount, such as 3%. If you have outstanding debt, you should add it to the required amount or consider an additional term policy with a lump-sum payout that will repay the debt.**Factors to consider** Whole life insurance policies invest part of your premiums to increase the cash value of the insurance. The cash value augments the policy’s specified death benefit. You should use the projected or guaranteed investment return when figuring the required death benefit for the policy. If you specify that the insurance be paid out as an annuity, the balance of the death benefit can earn income each year until exhausted. When figuring the annual payout, take into account any Social Security survivor benefits available for your family.**Considerations for single parents.** If you are a single parent, you may want insurance proceeds to go into a trust account for the benefit of your children. The policy should be large enough to cover your children’s living expenses until they reach adulthood. You also may want the policy, or a second policy, to fund at least part of your children’s education. A term policy might be a good choice here since you can set the term to end when your youngest child reaches age 18 or 21.**Life insurance has many uses.** For many people, life insurance is more than just a death benefit—you can also use it as an investment and estate tool in which the cash value grows taxdeferred. You can then use the cash value for retirement or some other purpose. Call or email me to discuss the many ways to use life insurance and assess how much you need. Together, we can create a plan to help protect your loved ones while building your own wealth.The cost and availability of Life Insurance depend on many factors such as age, health, and amount of insurance purchased. In addition to premiums, there are contract limitations, fees, exclusions, reductions of benefits, and charges associated with policy. And if a policy is surrendered prematurely, there may be surrender charges and income tax implications. Income and growth on accumulated cash values is generally taxable only upon withdrawal. Any guarantees are contingent upon the claims-paying ability of the issuing company.

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