

WHAT YOU SHOULD KNOW ABOUT LIFE INSURANCE



Amac 

Association of Mature American Citizens

Better for You. Better for America.

CHANCES ARE, YOU NEED LIFE INSURANCE

How will my family manage financially when I die?

That's a question that is difficult to think about. But if anyone depends on you financially, it's a question you can't avoid.

There are many different types of life insurance. But for all of them, the result is the same: Life insurance pays a tax free benefit to your family after your death so they can remain financially secure.

The proceeds from a life insurance policy may be used to cover mortgage payments, outstanding debt, or just the daily expenses of living.

If you have worked hard to build a solid financial foundation for your family – savings, investments, retirement accounts – life insurance is the missing brick that can protect it all.

It's not about how much life insurance you need, but how much your family needs if you are not here.

THIS BOOKLET WILL FOCUS ON ANSWERING YOUR BASIC LIFE INSURANCE QUESTIONS.



LIFE INSURANCE IS FOR EVERY STAGE OF YOUR LIFE

If someone depends on you financially, you probably need life insurance. Here's why life insurance is important no matter where you are in life.

YOU HAVE A 401K OR IRA

Your retirement account has a significant tax burden associated with it. If you are thinking about leaving this asset to your heirs, life insurance can help you do this tax free.

YOU HAVE A PENSION OR DEFINED BENEFIT PLAN

Life insurance can be used as a tool to maximize the dollar amount you receive every month while making sure your surviving spouse is left with a financial benefit.

YOU OWN A BUSINESS

Business owners can use life insurance to secure lines of credit, retain key employees and ensure their business continues to operate. Life insurance is also helpful for business partners to deal with a death, a disability or a disagreement between owners.

YOU ARE A HOMEOWNER

Your home is likely your biggest financial asset. In the event of your death, life insurance can be used to pay down or pay off the mortgage. It can also provide necessary funds to help your family maintain their lifestyle in the absence of your income.

YOU ARE CHANGING JOBS

You may not realize it but when your income goes up, so too does your spending. If you've been promoted or have recently changed jobs, it's a good idea to update your life insurance coverage to be sure your family would be able to maintain their new, improved lifestyle if anything were to happen to you.

YOU ARE RETIRED OR PLANNING TO BE

You may think that because your children are grown and your mortgage is paid off that you no longer have a need for life insurance. The truth is that if you died today, it is likely your partner would outlive you by 10, 20, maybe even 30 years. By putting adequate coverage in place now, you will help your partner avoid financial struggles in retirement.

YOU ARE SINGLE

Generally, there is not an urgent need for life insurance when you are single. However, if someone like an aging parent or sibling depends on you for support or if you have significant debt, you should consider life insurance.

WHAT KIND OF LIFE INSURANCE SHOULD I BUY?

The most basic feature of a life insurance policy is the death benefit, which is the lump-sum payment your beneficiaries would receive if you were to die. It is the primary reason to own life insurance, but surely not the only one.

Many policies offer additional features that can figure prominently in your financial strategies.

HERE ARE THE TWO BASIC TYPES OF LIFE INSURANCE:

TERM INSURANCE

Provides protection for a specific period of time ("term"). Common term policies provide coverage for 20 years, but they can run longer or shorter. Some term policies are even convertible to permanent life insurance. Term life insurance is meant for temporary coverage during a specific period (like during the time when your child is in college or while you are paying off a debt). It typically offers the most coverage for the lowest initial premium. It's a good choice for young families on a budget.



PERMANENT INSURANCE

Provides lifelong protection. Permanent life insurance policies pay a specified sum upon the death of the insured, regardless of when death occurs. These policies may also accumulate cash surrender values which means you can surrender or terminate your policy prior to death and receive any cash value that may have accumulated to that point. Keep in mind that premiums for permanent life insurance may be high initially as compared to comparable term policies.

There are three categories of Permanent life insurance:

WHOLE LIFE - simplest, most common option

LONG TERM CARE LIFE INSURANCE HYBRID – allows you to access the death benefit on your policy should you need care in the future

UNIVERSAL LIFE – offers flexibility of premium amount

To decide if term, permanent, or a combination of both types of life insurance would work for you, it is best to consult with a qualified insurance professional.

HOW DO I GET LIFE INSURANCE?

Buying a life insurance policy has never been easier. And the good news is that there is an abundance of professional support available to help you decide on the right coverage.



Call: 855-624-7563

HERE ARE THE MOST COMMON WAYS TO BUY LIFE INSURANCE:

THROUGH A QUALIFIED INSURANCE PROFESSIONAL

It's a good idea to get recommendations from friends, relatives, or another trusted source when choosing an insurance specialist. Do your homework before working with anyone to be sure they have the proper credentials.

AT WORK

Many employers offer life insurance as part of a benefit package. But you will probably need coverage beyond your employer's basic benefit, especially if you have a family. Your best course of action would be to supplement your employer's policy with one of your own or ask about purchasing additional coverage through your employer's group plan.

DIRECT

One of the easiest and most popular ways to purchase life insurance. May be purchased online, over the phone or even by mail. Many services have qualified insurance professionals on staff to help guide you through the application process and to answer questions and provide quotes. Their ability to offer multiple quotes from different companies is key in getting the best price available.

www.amac.us/life-insurance

HOW MUCH LIFE INSURANCE DO I ACTUALLY NEED?

When you die, the paychecks stop but the bills don't.

If you consider all the things that need to be paid and how long you'll need to pay them, you'll soon realize that your coverage need is often 10 or 15 times your gross annual income, or more.

Sounds like a lot of money, especially when you add in funeral expenses and the ongoing expense of daily living.

There are many online calculators available to help you assess your needs. But there is no substitute for speaking with a qualified insurance professional who can do a thorough and accurate assessment to help you determine the right amount and type of life insurance.

**FOR MORE
CALL
855-624-7563**



LIFE INSURANCE CHECKLIST

This checklist includes items to think about before you meet with a licensed agent. It will help the agent find suitable policies to fit your needs.

WHAT DO I WANT MY LIFE INSURANCE POLICY TO ACHIEVE?

- Pay funeral expenses?
- Pay outstanding debt on mortgage or other creditors?
- Offset loss of income? For how long?
- Help with future education costs of children?

WHO WILL I INSURE?

- Myself
- Myself and my spouse (joint policy)
- Benefit to the survivor

HOW LONG WILL I NEED LIFE INSURANCE?

- When will my mortgage be paid off?
- When will my children be finished with school?
- When will I retire?

HOW MUCH COVERAGE CAN I AFFORD?

How high of a premium can I pay each month? _____

WHAT ASSETS DO I HAVE?

Balance in savings account: _____

Balance in checking account: _____

Money in IRA, 401K, or other retirement accounts: _____