

Life Insurance— Isn't it a Gift?



with Mark Ciriaco

When you buy a home it is a given that homeowner's insurance will be included in the payment. Have a car? Nebraska law requires you to at least carry liability insurance. I find it interesting that these replaceable items carry this requirement while something as important as life insurance is often times considered a back burner item for a lot of families. You cannot be replaced. But you can certainly make sure your economic impact on your household stays intact if something were to happen to you.

According to LIMRA, less than half of consumers age 25 to 64 have life insurance coverage, and 44% of those acknowledge that they need it. While not everyone needs life insurance, I would argue that anyone who has someone that is financially dependent on them should carry coverage. There are a lot of factors that should be considered when deciding if you need coverage and what that number looks like. Do you have debt? Do you want that debt paid off for your surviving spouse or children? Do you want to leave money behind to replace income? How long do you want to replace your income?

To an extent, life insurance is more about "want" than it is "need". If you are the primary wage earner and your loss significantly affects the household, I believe it is your responsibility to carry coverage to at least make sure your loved ones do not have to struggle. A common misconception is that it is expensive to get the coverage when, in reality, term insurance rates have dropped significantly over the past several years. You've all seen the commercials – "Bob is 40 years old and got a \$500,000 20-year term insurance policy for \$25 per month." Those numbers are actually what you can find out there. Think about all of the stuff that you buy. Skip going out to lunch once or twice a month, divert those funds towards a policy, and just like that you've knocked out one of the most important parts of your financial plan.

I can't count the amount of times that I've sat down with families and, after doing a needs analysis, we found that they needed more coverage than what they had. Take a second to ask yourself if you have enough coverage to accomplish your goals if something were to happen to you. Talk to your spouse to see if they are comfortable with that amount. If they aren't or if you do not have any or enough, then take the steps to make it right. There are plenty of resources out there to make sure you find the right policy for you and your family, and as always - we're here to help.

For more information, please contact your trusted advisor at Swartzbaugh-Farber – 'Client Centered – Client Advocates™.