

Understanding Insurance

Life Insurance: Who Needs It?

(NAPS)—Do you need life insurance? That depends. Does anyone depend on you? Do you have parents, children, a spouse or a business? Just because you're young and healthy doesn't mean you can afford the financial risk of not having insurance.

Life insurance provides cash after you're gone. This cash (known as the death benefit) replaces your income and can help your family meet important financial needs, such as mortgage payments and college savings. Emotional struggles needn't be compounded by financial difficulties. You may need life insurance if:

You're married. Most families depend on two incomes. Could your family maintain its standard of living on your spouse's income alone?

You're a single parent. You're the caregiver, breadwinner and so much more. Yet nearly four in 10 single parents have no life insurance. With so much responsibility, you need to make doubly sure you have enough life insurance to safeguard your children's financial future.

You're a stay-at-home parent. Just because you don't get a salary doesn't mean you don't make a financial contribution. Childcare, transportation, cleaning, cooking—their replacement value is often severely underestimated. With life insurance, your family can afford to preserve their quality of life.

Your kids are self-supporting and your mortgage is paid off. You may feel your need for life insurance has passed. But chances are Social Security and your savings are not enough. What if your spouse outlives you by 10, even 30 years? Would your financial plan, without life insurance, enable your



There's no federal income tax on life insurance benefits.

spouse to maintain the lifestyle you worked so hard to achieve?

You're retired or planning for retirement. If your children are on their own and your mortgage is paid off, you may feel your need for life insurance has passed. But if you died today, your spouse still would face daily living expenses. What if he or she outlived you by 10, 20 or 30 years? It's certainly possible nowadays. Would your spouse have to make drastic lifestyle adjustments to make ends meet? Adequate life insurance coverage can help widows and widowers avoid financial struggles in retirement.

You're a small business owner. Life insurance can also protect your business. What would happen if you, your partner or a key employee, died? Life insurance can help.

To learn more about life insurance, what questions to ask and how to choose a policy and a consultant, visit the Life and Health Insurance Foundation for Education's Web site at www.life-line.org. To find a financial advisor, visit the National Association of Insurance and Financial Advisors' Web site at www.naifa.org.