

LIFE INSURANCE AWARENESS MONTH RECOGNIZED TAKE STOCK OF YOUR LIFE INSURANCE NEEDS DURING SEPTEMBER

August 27, 2008

Port Huron, Mich. – Life insurance sales representatives have been through the drill before. They've heard all of the many reasons why people do not believe they need life insurance or why they believe they do not need to purchase more or a different form of life insurance.

“I've got life insurance through my employer.”

“I'm still very young. Why do I need to worry about life insurance?”

“I'm single. I don't need life insurance.”

“We can't afford it.”

According to Wendy L. Krabach, Director of Sales & Marketing at Woman's Life Insurance Society, based in Port Huron, Michigan, the simple fact is, consumers cannot afford to not have life insurance, regardless of their age, marital status, or the benefits package they receive in their workplaces. Consider the following:

- When consumers lose their jobs – and in today's uncertain economy, many are losing their jobs unexpectedly – they find themselves without the benefit of employer-provided life insurance.
- When consumers wait to purchase life insurance until they are “older,” it is very likely that the premiums will be higher. And, if they wait too long, they might find themselves in ill health with life insurance even more difficult to obtain.
- Single people have many financial responsibilities they would not want to leave to their heirs in the event something happens to them. Marriage and parenthood are not precursors to purchasing life insurance.
- If consumers believe they cannot afford life insurance premiums now, they need to consider this: What would happen to their family members if they died unexpectedly? Would they be able to afford to maintain their current lifestyle? If the answer is no, then it's time for a life insurance needs analysis.

Why Buy Life Insurance?

Life insurance can serve many different purposes. How it works into anyone's financial plan and the reasons why life insurance should be purchased is dependent upon a number of factors, such as marital status, whether or not the consumer is a parent, their current financial condition, the status of their retirement investing and their estate planning needs, in addition to a multitude of other items. Some primary reasons for purchasing life insurance include the following:

- **To cover final expenses.** This is probably the most obvious use for life insurance. When someone dies, someone has to pay for the expense of burial or cremation. There can be a wide variety of costs associated with death. These might also include final medical expenses generated by your need for special care at the end of life, whether a person is 18 or 80 when she dies.
- **Debt payment.** Not too many people leave this world debt-free anymore. A young single person who dies unexpectedly might leave behind a car payment, student loans and credit card debt. An older person might leave behind a mortgage or home improvement loan in addition to a car payment and credit cards.

- **Income replacement.** For those who are married or are parents, this is of utmost importance. Those who are part of a two-income household need to determine whether or not their spouse could continue to maintain the current standard of living in the event that something happened to him or her very unexpectedly. Faced suddenly with just one regular income, would the remaining spouse be able to pay all regular household bills independently for an extended period of time? For those who are not certain or whose answer is a definite no, it is probably time to evaluate their life insurance needs.
- **Foundation for a personal investment program.** Life insurance is the foundation of almost all good personal investment programs. The purchase of life insurance that builds cash value is one of the most common initial investments young people make – and it is a wise investment, at that.

How Much Do You Need?

Determining how much life insurance is needed is essential to the financial security and well being of a family. A Woman's Life sales representative can help consumers most accurately determine an appropriate amount of life insurance to ensure their peace of mind. In the meanwhile, this simple formula can help determine an estimate of life insurance needs.

1. **Determine monthly expenses.** This includes all household bills and monthly payments such as child care expenses; medical, dental, auto and homeowners insurances; credit card payments; car loans; food; your mortgage or rent payment; and utilities, among others.
2. **Multiply the monthly expenses figure** by twelve and then by the number of years survivors would need to meet those expenses without assistance in the event of the insured's death.
3. **Determine a conservative rate of interest** that money would earn during that period of time and figure it by compounding it annually. This figure is your basic life insurance need.
4. **Determine current assets.** This figure can be subtracted from the basic life insurance need determined above.
5. **Take into consideration the following:**
 - a. life insurance going to need to pay college expenses for children? If so, consider increasing the basic life insurance need.
 - b. Don't forget to factor in an appropriate figure for final expenses. This figure should also be added to the basic life insurance need.
 - c. Add to these figures any amount that consumers would wish to have available to help remove financial burden from their survivors, such as enough money to pay off credit card debt, etc.

Am I Really Worth That Much?

Consumers should not be surprised by how valuable their lives are. If they are contributing to the value of their home with either an income or by providing continuous at-home care for a family, their work is an invaluable asset that is measurable in terms of life insurance needs.

For more information about how Woman's Life can help meet your life insurance needs, or if you would like to receive a free copy of the Woman's Life Fact Finder, which can help you document and understand your current financial situation, call the Woman's Life Sales Department at 1-810-985-5191.