



Is Your Coverage Fit for Retirement?

As life changes, so do your life insurance needs

Our finances are constantly changing. Just think about it — are you in the same position today as when you were 40?

Probably not. Now, you could be retired, have fewer expenses or have more. You could have a whole new lifestyle.

That's why it's important to make sure your life insurance still fits your needs in retirement. Here are a few key questions to help get you started:

- Have you recently had any changes in your life that would cause you to need more or less life insurance? Life events like the death of a spouse, paying off a mortgage or other debt, or supporting a handicapped or disabled loved one can all affect your insurance needs in retirement.
- What are your plans for the future, and how do those affect your need for coverage?
- How much coverage will you need to help make sure your spouse and family have enough financial support after you're gone?

Whether you're thinking about buying life insurance for the first time or adding more coverage to your existing insurance, determining how much and the right kind of coverage that is best for your situation is an important next step. When it comes to the right kind, you have two overall options: term life insurance and whole life insurance.

Term Life Insurance

Term life insurance provides protection for a specific amount of time (such as 10, 15, 20 or

30 years). Once the term is over, your insurance policy ends and you are no longer covered.

So why would you buy term life insurance if it has a time limit? Term life insurance normally costs less than whole life insurance and often offers a higher benefit amount. That means you have more coverage when you may have more financial obligations, such as:

- House payments — To stay in your home, your spouse may need the funds to help pay the mortgage and property taxes.
- Spouse who depends on your income — Money may be needed to help ensure your spouse's day-to-day needs can be met.
- Car payments and other loans — To help protect your spouse and ease the financial burden, funds may be used to help pay off any outstanding debt.

Whole Life Insurance

Whole life insurance is coverage you can own for your entire lifetime. As renewal premiums are paid, your insurance policy accumulates equity (called cash value) that gives you added money you can use in an emergency.



Because whole life insurance can offer permanent protection, it can be there through all stages of life, such as:

- Before retirement — Money may be needed to help your spouse care for children or to help pay the mortgage.
- In-between times — Changing jobs or getting ready for retirement can often leave gaps in your life insurance coverage; you may need protection that will provide constant coverage through these times.
- Retirement — You probably still have financial responsibilities (like credit card debt, funeral costs and medical bills) that need to be paid.

So what is the benefit of whole life insurance over term life insurance? Along with offering permanent protection and the safety net of cash value, whole life insurance normally has no renewal rate increases, which can make it easier to budget.

What's Right for You?

Deciding which type of life insurance is right for you can be difficult. That's why your stage of life plays an important part in choosing life insurance.

- If you're retired or close to retirement, having a whole life insurance policy may be better. At this stage of life, you may have fewer financial obligations and, therefore, need less coverage than you did 20 years ago. Plus, with whole life insurance, you can have the security of knowing your premiums will never increase.
- If you have more financial obligations now, term life insurance may be the right choice. It can provide a higher amount of protection at a lower cost. Remember, you can always buy an insurance policy for a shorter term (say 10 years) if you plan on having large expenses for only a few more years.

It can also be a good idea to talk to a licensed professional. He or she can help you determine the kind of coverage and the amount of protection that best meets your specific needs.

Keep in mind, even after you choose your coverage, it's a good idea to review your coverage every year ... just to make sure it's still a good fit for your stage in life.

