

The Life Insurance Gap – Coverage vs. Need

In a recent study,¹ Americans said they wanted enough life insurance to cover at least **14 years** of expenses, on average, after the loss of the primary wage earner – but actually have insurance to cover just **three years** of expenses. Putting it another way:

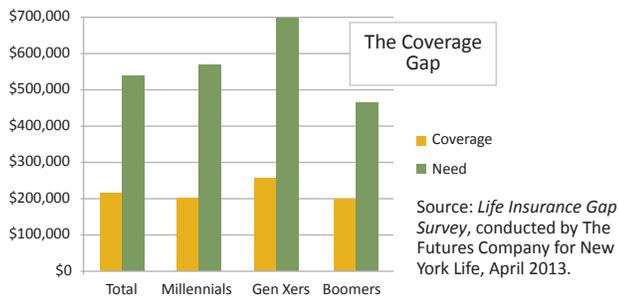
Perception: **60%** believe they have enough life insurance coverage.

Reality: **20%** actually have enough life insurance to cover what they said they would need upon the death of the primary wage earner.

Generational Gaps

Five years ago, a similar study showed a smaller gap. In 2013, **Americans on average maintained 41% of the coverage they said they would need** in the event of the primary wage earner's death.

The gap is greater for younger adults, as shown in this chart.² Gen Xers and Millennials had **just over 1/3 of the coverage they said they would need**.



Life Insurance to Fit Your Needs

Two categories of Life Insurance are available to eligible GEBA members and their families:

GEBA's **Group Term Life Insurance**, designed specifically for our members, offers an essential mix of features at affordable rates:

- Coverage up to \$600,000 for members with options for spouse/domestic partner and dependent children up to age 26
- Coverage that includes acts of War and Terrorism
- Member coverage for Accidental Death & Dismemberment at no additional cost
- Coverage you can keep when you retire or leave your job

GEBA's **Individual Life Insurance**, designed around your specific needs, can provide additional benefits such as tax-deferred savings and estate planning. Plans available include:

- **Individual Term Life** with tailored coverage options
- **Whole Life Insurance** with guaranteed level premiums for life
- **Universal Life Insurance** with adjustable premiums and payments
- **Survivorship Life Insurance**, which covers two people and pays upon the death of the second person

GEBA's Insurance and Financial Consultants can assist you in evaluating your needs, or you can apply for GEBA's Group Term Life Insurance online. More information* on all of these plans is available at www.GEBA.com/insure or call us at **(800) 826-1126**.

*Group Term Life Insurance plan underwritten by New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010 on Policy form GMR. For costs, eligibility, renewability, limitations and exclusions, visit www.geba.com/termlife.

Bates: 1619547

Risks of Being Underinsured

Do you have enough coverage to meet the needs of your family if you were to pass away prematurely?

How would your loved ones cope if your insurance provided only 40% of what your family needs?

- Would they have enough to cover your funeral expenses?
- Could they pay off debts and replace the income you provided?
- If you have children, would that **40%** get them through college?

The real answer to "how much insurance should I have?" is this: Enough for your family's needs when you're no longer there to help.

A Time to Review Your Coverage

September is National *Life Insurance Awareness Month*, a time to consider your loved ones and think about whether changes in your life or theirs have altered your life insurance needs. Since you last reviewed your coverage, have there been:

- Any new dependents added to your household?
- Any changes in income that affect the amount of insurance needed?
- Any new obligations (such as college or mortgage expenses) you should consider?

GEBA's interactive life insurance needs calculator at www.geba.com/termlife can help you reassess your coverage, or call us at **(800) 826-1126** to speak with one of our licensed Insurance and Financial Consultants. They will be happy to go through a detailed insurance needs assessment and advise you on your best options.

¹Family Goals at Risk, June 9, 2014; and ²Generation X Reveals Dramatic Effects of Great Recession, Sept. 12, 2013; New York Life Insurance Company, available at www.newyorklife.com.