

ReEvaluating Your Life Insurance Needs



If you already have life insurance, congratulations! You have taken a major step toward financial stability for yourself and for your family. But it is amazing how needs can change as we go through life. For this reason, most financial experts recommend periodically reviewing your family's life insurance coverage.

Do you have more to protect? The purchase of a home, the birth of a child, the retirement of a spouse or domestic partner – all can have a dramatic impact on your need for life insurance. Here are some examples of life events that should cause you to evaluate your insurance coverage:

COMBINING HOUSEHOLDS THROUGH MARRIAGE OR DOMESTIC PARTNERSHIP?

One truly considerate thing to do for that special person in your life is to make sure he or she will be able to cover your final expenses, pay off debts, and meet ongoing living expenses in the event of your death. For that matter, you would want to be able to do the same in the event of his or her death.

PURCHASING A HOME?

Would your spouse/partner be able to make the monthly payments without your income? Would he/she be able to pay someone to handle the day-to-day tasks that you do currently?

CHILDREN COMING INTO YOUR LIFE?

Whether through childbirth, adoption, or forming a union that includes existing children, caring for a new child is a major consideration in the amount of life insurance you should have. According to the USDA, raising a child born in 2012 through age 17 is expected to cost over \$241,000¹, on average - and this does not include a college education.

HAVE A CHILD APPROACHING COLLEGE AGE?

Could your child(ren) attend college without your income to help pay the bills?

ARE YOU PREPARING FOR RETIREMENT?

Maybe you'll need more – or less – insurance when you retire. But as you are still building your nest egg, would your spouse/partner be able afford the retirement you both envisioned if you suddenly passed away?

Has it been years since you reviewed your insurance coverage? Inflation erodes buying power over time – so if it has been years since you purchased your policy, the payout in today's dollars probably won't go as far as you intended. Think about others in your household, such as your spouse or partner, who should also be covered by insurance. While everyone's needs are specific to their circumstances, many insurance professionals recommend a benefit amount of 5-7 times your salary.

You might also consider a different type of coverage – permanent vs. term insurance, for example, -if you need higher coverage or want to leave a legacy to your heirs.

GEBA can help. Our licensed Insurance and Financial Consultants are trained to help you review your needs and evaluate the level and type of insurance coverage that is appropriate. Please call us at **(301) 688-7912** or **(800) 826-1126**, or email **geba@geba.com** for a no-obligation insurance review.



CONSIDERATIONS FOR EVALUATING YOUR LIFE INSURANCE NEEDS

- How much annual income would your family need after you pass away?
- What ongoing income is available to them after your death?
- How much additional income would your family need to cover these expenses?
- Are there significant additional costs, such as college education, to cover?

GEBA's life insurance calculator at www.geba.com/termife can help you evaluate whether your level of coverage is right for your needs.

¹U.S. Department of Agriculture, "Expenditures on Children by Families, 2012," available at www.cnpp.usda.gov, released August 2013.