



When Life Insurance Comes Knocking **Six Life Stages to Open the Door!**

In 2020, the world came face-to-face with a global pandemic. The COVID-19 virus crossed borders, spread quickly, infected more than 200 million worldwide, and killed more than 4 million without deference¹ – regardless if you're 25 or 85 the risk of any life-threatening illness can come knocking. Even today, while doctors are working feverishly to save lives, the financial ruin left behind is one more wound that requires addressing and time to heal.

Life insurance will never save us from death, but it can provide a much-needed financial lifeline to pay medical expenses and provide support for loved ones left behind. And since there isn't a cure for this virus, and we now see that the unexpected can happen at any age, the reasons to open the door to protection by life insurance could never be louder.

Six Life Insurance Stages

As your life changes, your insurance needs to change. Perhaps you're a new family with infants or a bit older and helping aging parents. Protecting the ones you love doesn't have to be difficult, and with a bit of planning, everyone can share in the peace of mind. Here are six life events that should prompt you to consider buying or reevaluate your existing life insurance coverage.

1. PARTNER UP

When couples get married or become life partners, it's time to discuss financial strategies that can assist in reaching their long-term goals. Having an insurance policy ensures that when one spouse dies, the other isn't saddled with financial obligations they can't cover. Additionally, the correct type of life insurance plan can help maintain a couple's lifestyle by taking loans to pay bills and debts, such as a mortgage, car loan, student loans, and credit cards.

2. DEPENDENTS

According to the U.S. Department of Agriculture, the typical American family spends more than \$233,000 raising a child from birth to age 18.² If your household contains anyone that depends on you for daily living – child, spouse, parent – then insurance could save them from financial ruin. Should you die unexpectedly, the life insurance payout can ensure that your dependent's immediate needs and long-term plans are covered financially.



3. SINGLE INCOME

Although stay-at-home parents don't bring home a paycheck, they provide substantial support for their families. If they weren't around to take care of children, make meals, run errands, or manage other household tasks, the cost to outsource the work done by a typical stay-at-home parent would average more than \$178,000 per year.³ A life insurance policy could help pay for childcare costs, living expenses, and household help in addition to funeral expenses if the second parent were suddenly no longer around.

4. SELF-EMPLOYED

When you're self-employed, you must provide your own benefits package, so don't forget to purchase life insurance to protect those who depend on you. When times get tough, you may have the option to take a loan against the cash value to keep the business afloat, and you're your family secure from any responsibility. If you have one or more business partners, consider "key person" insurance coverage to protect your business from a partner's death. The proceeds can help cover lost income or pay business expenses, including debt and taxes.



In addition to these six stages to invest in life insurance, there are significant reasons and ages that you need to consider—ask your financial professional for the details. Because no matter what your reason, stage, or age in life is, there's an insurance policy designed for you. Protect yourself and the ones you love by incorporating insurance into your financial plan. To choose confidently between term and permanent and understanding if you need business coverage or special riders, a conversation with your financial professional is the wisest next step you can make.

5. DIVORCE

Existing life insurance considerations can be a complex component of a divorce. Since life insurance is usually part of a broader financial or estate plan, it's wise to consult with a financial planner who can guide you and help you assess the affordability of life insurance and the amount of coverage you need. If your life insurance now lists an ex-spouse or previous partner as a beneficiary, they'll receive the benefit when you die unless you update your designations.

6. CAREER CHANGE

Many employers offer low-cost or free life insurance in their benefits package; however, it may not be enough if you rely on bonuses, commissions, and other income. Additionally, workplace policies are job dependent, so 1) you may feel tied to a job if you're in poor health, and 2) if you leave your job, coverage ends. You could purchase an additional life policy on your own that ensures you'd never have a coverage gap if you lost your job.



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Sources

1. "Coronavirus Resource Center" Johns Hopkins University of Medicine. <https://coronavirus.jhu.edu/map.html> [Accessed Aug 2021]
2. "The Cost of Raising a Child" U.S. Department of Agriculture. <https://www.usda.gov/media/blog/2017/01/13/cost-raising-child> [Accessed Feb 18, 2020]
3. "Why Stay-At-Home Parents Need Life Insurance" Forbes <https://www.forbes.com/advisor/life-insurance/stay-at-home-parents/> [Accessed Nov 12, 2020]