# Do I Need Life Insurance?

A picture containing sky, grass, outdoor, kite

Description automatically generated

The goal of life insurance is to provide a measure of financial security to your loved ones should you die. In its simplest form, it’s a tool to protect against the loss of income.

Before purchasing a life insurance policy, you’ll want to carefully consider your financial situation and the standard of living you want to maintain for your surviving loved ones.

Buying term life insurance has never been easier because now you can get coverage from the comfort of your own home. Getting quotes and applying can be done from anywhere at any time.

## Who needs life insurance?

Not everyone needs life insurance and maybe you are trying to decide if you should purchase it or not. To help you determine if you need it, let’s run through a few scenarios.

**Are there people in your life that would be negatively** **impacted financially if you died?** This could be a significant other, children, or family members who depend on your income to live.

If you are young and single with no children, or independently wealthy, you probably don’t need term life insurance.

**Are you a stay-at-home parent?** Stay-at-home parents do the job of multiple people combined. If you were to suddenly die, your spouse would quickly be in over their head trying to make up for everything you did at home. Having life insurance can afford the surviving spouse to take time off work to get everything situated and help pay for services the stay-at-home parent provided.

**Are you a small-business owner?** If you died, would the business crumble? A life insurance policy can work to fund a buy-sell agreement. This is a contract among the owners to buy a deceased owner’s share of the business at an agreed upon price in the event of death, disability, or retirement. With this agreement, your partners won’t be scrambling to figure out a way to keep the business afloat and your beneficiaries will still be compensated as well.

**Do you have any debt?** Did you co-sign a loan with anyone? Do you have any shared credit card accounts? If you answered yes to any of these and don’t want to saddle your loved ones with your remaining balance, then life insurance could help you.

*Example: If your parents helped you through college by co-signing your student loans, then anything you didn’t pay off goes to them if you died. Benefits from a life insurance policy would go toward your debt, paying it off so your mom doesn’t have to.*

**Are you young and healthy?** Your age and health play a large role in determining policy premiums. Essentially, the younger you are, the cheaper it is so you may consider getting life insurance sooner rather than later.

*Example: If you are a newlywed 29-year-old and plan on starting a family soon now may be the perfect time to get life insurance. It would cost less than one dollar a day and it would ensure your spouse and future children are protected.*

*Example: Maybe your heart belongs to the charity you volunteer at every weekend. Purchasing life insurance now can help you leave a legacy in an inexpensive way.*

## How much and for how long?

The rule of thumb is that you should have enough life insurance to cover 10 times your annual income, but this is an estimate and is not right for everyone.

*Example: A single, childless man with an annual income of $75,000 does not need the same amount of coverage as a married father of three with the same income.*

If you have loved ones who depend on your income, you’ll want to get enough coverage to allow them to live their lives as planned despite your death, you also want enough to cover your final expenses (funeral/burial), and cover your debt.

Determining the term length can seem like guesswork, but it’s easy to narrow down.

If you’re getting term insurance to make sure your loved ones are protected from your debt, then get enough to cover the amount of years it will take to pay off the debt.

*Example: If you have a mortgage but believe it will be paid off in 10 years then a 30-year term policy would be unnecessary.*

*Example: If you are getting term insurance to ensure your four-year-old child can go to college, set the term length for 20 years so their education would still be covered if something happened to you.*

If you’re getting term life insurance to make sure your family will have a source of income replacement should you die before your children are independent adults, then get enough to cover the amount of years until your youngest is an adult.

*Example: You have a 16-year-old, 10-year-old, and 4-year-old child. Get a term life insurance policy with a 25-year term so your family has financial protection until all children are through college and have jobs.*

**Click here to learn more.**

**No one ever** **anticipates needing to use life insurance, but the unexpected happens. Be prepared and get a free term life insurance quote today [link to EasyLife enhanced or Quotacy site].**