

10 uses for life insurance that most people are missing out on...

Few people look to life insurance to fund living expenses and many believe the product to be too costly. Given the lack of knowledge about life insurance, it is understandable that most believe that life insurance is used only for **paying funeral expenses** and providing **income for survivors**. But few cite the product's **other living benefits**:

1. **Providing a cash flow in retirement**
2. **Reducing taxes during retirement**
3. **Paying estate taxes**
4. **Creating an estate**
5. **Taking out a loan/borrowing against**
6. **Equalizing an inheritance**
7. **Paying for college**
8. **Paying mortgages and debts**
9. **Funding charitable contributions**
10. **Provides riders to further enhance the value**

At a time when so many Americans are wrestling with how to achieve long-term financial security, people are overlooking one of the most critical tools to meet that goal. Unfortunately, too many people lack a full understanding of all the ways permanent life insurance can be used to provide financial security. They see it as a single utility product, when it's really more like a Swiss Army knife — it can be used for an amazingly diverse range of needs.

Life insurance is one of those products that never stops being useful. It's not something exclusively designed for the young and, in fact, policies can have so many different features that they can gain new uses as you age. Let's take a look at three different age groups who can especially benefit from life insurance.

- **Recent college grads:** New college grads are just getting started, so why would they need life insurance? First off, there's the matter of locking in low premiums. Even if you think you won't need life insurance until you're married and have kids—locking in the super-low rates you get as a young college graduate certainly seems like a good reason to take out a policy early. But there's also the question of what happens to your debt should you pass away. If your parents have co-signed for any of it, it's likely they'll be expected to pay it back even after your death. This is a huge burden that can easily be lifted with the right life insurance policy.
- **New parents:** As new parents, there's probably no question in your mind that life insurance can help you make arrangements for the care of your child and a stay-at-home spouse should you pass away. But did you know that stay-at-home parents should have policies too? Even if you don't contribute an income to the family, the work you do has both a value and an expense to replace—something life insurance can take care of. Life insurance with cash values can also give you a fund for tax-free loans later on in life, which will come in handy when the kids go to college or you decide to retire.
- **Seniors:** The idea of leaving a legacy is an important one to many seniors, but the pressure of making sure there's something to leave behind can lead many to live on tight budgets, ignoring their own needs in order to provide for their heirs. A life insurance policy can relieve that pressure and help you leave a far greater legacy than you otherwise could. In addition, a life insurance policy with cash values can be a source of tax-free income during your retirement years, supplementing all your other sources of income and reducing taxes.

Remembering Riders

Life insurance policies do more than just provide death benefits and cash values. They also have riders that can be used to further enhance the value of a policy no matter what age you are or what phase of life you're in. Some of the riders that you can consider include:

- **Return of premium rider:** This can be used with a term life policy. It promises the return of your premiums should you outlive the term.
- **Accidental death benefit rider:** It's impossible to prepare for the added expense and stress brought on by the sudden death of a loved one. With an accidental death benefit rider, your beneficiaries receive an added benefit to help them better deal with the financial and emotional impact of an unexpected, accidental death.
- **Accelerated benefit rider:** Being diagnosed with a terminal illness puts a strain on your emotions and your finances. With an accelerated benefit rider, you can get a percentage of your death benefit early to spend on hospital bills, assistance and to pay off debt.
- **Long-term care rider:** A long-term care rider acts much the same way as an accelerated death benefit rider; when you qualify, it pays out an advance of your death benefit that can be used to pay long-term care bills.

Life insurance is a vital part of your financial plan at every stage of life. Together, we can design a policy that meets your needs today, while positioning itself to meet your changing needs as you age. Contact me to schedule an appointment today at (972) 731-2539.

Rick Alford

Rick Alford, CRP, CEO
Retirement Solutions

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