

WHY WOMEN NEED LIFE INSURANCE

October 4, 2016 by Brian Greenberg

Now more than ever, women are redefining their roles at work and at home.

Women have more options than ever, from full-time careers outside the home to careers as full-time homemakers with stops nearly everywhere in between.

While women are achieving an unprecedented work-life balance, a piece of the puzzle that is more often missing than not is life insurance.

While other types of insurance such as health, auto and homeowners are top of mind, life insurance tends to slip through the cracks. According to the Life Insurance and Market Research Association (LIMRA), 48 percent of women are without any type of life insurance. While this number has risen about five percent in recent years, it still isn't high enough. Now more than ever, women need life insurance.

Here's why:

1. YOU PROVIDE FINANCIAL VALUE, REGARDLESS OF YOUR EMPLOYMENT OR MARITAL STATUS.

Today, many women are making more money than their spouse or they are working as a single parent and the head of a household. For stay-at-home moms, recent estimates valued their contribution at approximately \$120,000 a year (taken from the duties performed in the household on a regular basis such as childcare, cooking and housekeeping, among others).

2. LIFE INSURANCE REPLACES YOUR INCOME.

Because your contributions bring value, that value needs protecting. According to Loretta Worters, vice president with the Insurance Information Institute, if a stay-at-home spouse dies, the family would need someone to handle the household duties. That's no small task. The cost could be substantial and a life insurance policy would help to cover those expenses.

If your income helps to support you, your children, and/or your partner, a life insurance policy will provide financial support for them in the case of your death. This can help not only cover the cost of the funeral and anything related to it but also with everyday living expenses. Of course, it's unpleasant to think about and plan for your own death, but it is a responsible way to make sure your family doesn't have to worry about such things on top of having to cope with your loss.

3. LIFE INSURANCE PROTECTS YOUR INTERESTS.

If you're single and you don't have any children, you still may have a need for life insurance. If you carry a high amount of debt, have a co-signer for a loan or if you take care of an aging or ill parent or family member, having life insurance will help protect your estate, your co-signer and those you care for.

If you don't have insurance but do have debt, typically the executor of your estate will sell whatever they can to help pay off your debts when you die. If you have a co-signer on a loan, however, that person will be responsible for repaying it. If these scenarios do not apply to you, you can probably put off purchasing a life insurance policy temporarily. But

keep in mind, it's less expensive to purchase a policy when you're younger rather than when you're older.

4. LIFE INSURANCE IS LESS EXPENSIVE FOR WOMEN.

Life insurance premiums are priced largely according to the average life expectancy for your gender and age. Women pay less than men, primarily because men have a shorter life expectancy than women. In fact, women reportedly outlive men by about five years. Women also tend to develop cardiovascular problems like heart attack or stroke later in life than men do. This longer life expectancy results in lower life insurance premiums.

If you're wondering how much or what type of life insurance you need, here's a tip: multiply your income by anywhere from three to 15 times to arrive at the amount of life insurance you should consider buying.

For example, if you're a 40-year-old woman making \$50,000 per year at your job, you will want to look at buying a policy that's worth about \$750,000. This is a general rule of thumb and does vary by age so it's important to speak with a life insurance agent. You can also select a term life policy at a cheaper premium for a specific amount of time, or you can select a permanent plan that will last the rest of your life and provide you with additional financial planning options.

The type of insurance you choose and the amount you purchase depends on what your goals, needs, budget and family situation are. For instance, if you are still young and single, your life insurance needs will be much different than if you are a bit older, married and/or raising a family.