

Life Insurance And Major Life Changes

While life insurance can seem like a once-in-a-lifetime decision, there are a number of life events that should cause you to take another look at your life insurance policy to see if it is still right for you and your family. So what should your life insurance policy do for you and your loved ones, and what life events should make you re-evaluate whether your life insurance policy is still right for you?

Do You Need Life Insurance Now?

Deciding whether or not you need life insurance depends largely on your age and your personal situation. If you have children or a spouse, having life insurance, no matter what your age, is important to ensure that they are cared for should anything happen to you. If, however, you are not married or do not have children, do you still need life insurance? One thing to consider is whether or not you have any family or other people who rely on you financially, such as your parents. Another consideration is your age. It is considerably cheaper to purchase life insurance at a younger age, so if you plan on having a family in the future it may be wise to give yourself the best protection at the lowest rate.

Balancing Protection And Investments

Life insurance can certainly be more than just a financial security blanket for your family; it can also be a wise investment opportunity. In selecting life insurance there are, in general, two different types to consider-term and permanent. Term life insurance is a good choice if you are young and have a family. It can offer you the maximum protection for the lowest premium but, as the name suggests, the insurance is only valid for the term of the policy, at which point it expires. Permanent life insurance, on the other hand, offers you protection for life and usually gives you a return on your investment in the form of a cash value on the policy. While the premiums on a permanent life insurance policy will be higher than a term policy, it may be a better choice for long-term protection.

Retirement and Life Insurance

Retirement is a time when we experience a number of changes in both our day-to-day lives and our financial and family lives. This is also an important time to re-evaluate your life insurance policy, and in most cases make some changes in the type of coverage you have. At retirement you and your spouse's financial situation is likely very different than when you first got married. Your family has also changed, and your children are likely not in need of the same financial security through you that they once did. This is a time when choosing a more affordable life insurance that can offer you a cash value may be in your best interest.

An insurance agent can help you find the policy that works best for you at any point in your life.