

Why Everyone Needs Life Insurance

Most financial experts say that life insurance is a cornerstone of solid financial planning as it protects dependents from financial ruin after the death of a breadwinner.

But even if you are single or don't have dependents, it can still be a valuable component of your financial planning and safety net.

1. Life insurance replaces income for surviving family members or dependents • If you have others who depend on your income, it is important that you have a plan to continue providing for dependents in the event of an untimely death. This is especially important for families with young children and a spouse who stays at home to care for them.

It can also be important for couples. If one person earns more, the survivor would face financial hardship in meeting monthly obligations.

In addition to this, people who provide financial support to their aging parents should also purchase life insurance to make sure they receive the continued support they need.

2. Life insurance builds an inheritance for heirs • For those who want to pass something on to heirs but do not have many assets, life insurance is an easy way to do that.

By naming specific heirs as beneficiaries, the named individuals will receive the money the policyholder wants them to have.

3. Life insurance pays for final expenses • With the price tag for most funerals hovering close to \$10,000, it is important for every person to have at least enough life insurance to cover final costs.

These can be burdensome to survivors, but life coverage makes it easy for family members to pay probate costs, administrative costs and funeral expenses.

4. Life insurance covers death taxes • Even death is taxed. It is taxed at both a federal and state level. Without life coverage, survivors would have to sell the deceased's assets to try to pay for these costs.

In some cases, they may have to take a smaller inheritance instead. However, life insurance can be put in place to cover these costs and take the burden off of survivors' shoulders.

5. Life insurance builds savings ¢¢” There are types of life insurance that yield a cash value. If this amount is not paid out as a death benefit, it can be withdrawn or borrowed by the policyholder. And the interest is tax-deferred.

For sums paid out as death benefits, the interest is tax-exempt.

6. Life insurance makes charitable contributions possible ¢¢” If you name charities as beneficiaries on your policies, you can provide larger sums than you may have otherwise been able to out of pocket.

Many single people who do not have dependents or family members to name as beneficiaries choose this option to leave a positive mark on the world.

The final word

Life insurance is something that can benefit any adult regardless of age, marital status and family status.

To learn more about what options best fit individual needs, call us today.

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