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Tips for Buying Life Insurance



Life insurance helps provide financial protection for your family and loved ones. If something were to ever happen to you, life insurance would provide money so that your family and loved ones can continue to manage expenses if you were no longer around. Sample expenses include mortgage payments, legal or medical expenses, childcare, college education and outstanding debts.

If someone depends on you, whether or not you work, chances are you need life insurance. Here are some things to keep in mind when you buy life insurance.

Know how much Life Insurance you need.

A very broad rule of thumb is that your life insurance coverage should be 7 to 10 times your income. However, every person's life insurance needs are different. For example, you'll need more insurance if you have four children compared to two or if you have credit card debt versus none.

How do you stack up? For a personal estimate on how much life insurance you need, go to the Life and Health Insurance Foundation for Education's website at www.lifefdn.org. The online life insurance needs calculator is easy to use and takes just minutes.

A good place to start is at your workplace.

If your employer offers a life insurance benefit, think about enrolling in it. A workplace benefit is generally affordable (just a few dollars a month in many cases) and easy to buy. You don't typically need a medical exam to enroll and your employer has done the legwork of finding a quality plan to offer its employees.

Think about supplementing your workplace benefit.

Your workplace benefit is a good place to start but may not meet the needs of all people. Know how much your workplace benefit covers. If it's not enough based on your personal estimate, it might make sense for you to supplement it. Consider talking to a financial advisor. Know that, unlike a workplace benefit, when you buy life insurance outside of work a medical exam is usually required.

As things change in your life, your life insurance needs will too. Review your life insurance policy every year. If you've experienced a life milestone like getting married, having a baby or buying a home in the last year, you'll want to make sure your family and loved ones continue to be adequately protected.

Just another way Guardian enriches the lives of people we touch.