

5 life insurance myths

1. I have life insurance through work. You may not have sufficient life insurance through your employer — especially if you have dependents or major debts. What if something unexpected happens and you lose your job? This could leave you without coverage. Taking a little time to plan now can make all the difference for when life throws a curveball.
2. Life insurance is expensive. Life insurance costs less than you might think. An industry study found most people overestimate the cost of life insurance by more than three times the actual cost.² Life insurance comes in many shapes and sizes to match your needs and budget.
3. You only need life insurance if you have children. Life insurance isn't only for people with children. Even those without kids may leave behind joint debts, funeral expenses and other bills that need to be paid. Life insurance can also provide a spouse with income replacement during a difficult time and can complement an investment portfolio.
4. Life insurance is just for “older” people. Younger individuals are often less likely to die. But they're much more likely to leave behind a younger family that may struggle financially in the event of a loss. The younger you are, the more likely you are to be healthy, and you may qualify for better rates. If you purchase a policy now, you guarantee the existing coverage if something happens to you.
5. Buying term insurance is always best. It's true that a term life policy can be less expensive in the short term. However, the cost of coverage with other types of policies that provide a cash value may end up being less over time. Many policies allow you to convert a term policy to a permanent policy at the same insurability rating within a specified time limit. So the earlier you buy, the better off you may be.