

# 5 Reasons to Revisit Your *Life* Insurance

For most of your adult life, you may have had the protection of life insurance to help safeguard you and your family. But as your life changed, so did your family's needs and financial goals. With every transition and milestone, you should take the time to reexamine your life insurance policy to make sure you have the proper coverage, are in the right type of policy and it accomplishes the goals for the reasons you own it.

## **Here are 5 reasons to take a second look at your policy:**

### **1. It's time for your annual review.**

Each year, you probably get an annual health checkup with your doctor to make sure you're in good shape. Why not use the same thinking when it applies to your life insurance? Generally, it's good to review your policy(ies) every 12 months especially with permanent life policies that have a cash value component. You should identify where you are today versus where you were when you purchased the policy and look at what you may need in the future. You should consider what may have changed in the market like index values, interest rates etc. that could affect your coverage or increase the possibility that the policy could lapse for being underfunded. Hopefully you will find that you have adequate coverage and do not need to change any details, or maybe that you need to make some adjustments. Make sure this insurance review includes a comprehensive look at your financial situation. Life insurance is only one part of a solid financial or retirement plan.

### **2. You no longer have financial dependents.**

Retirees often revisit their life insur-

ance because they no longer financially provide for their children. When your children are young and depend on you financially, protecting your family with life insurance makes sense should anything happen to you or your spouse. Maybe after the children are grown you don't need as much coverage, or maybe your provisions for children shift to an income replacement strategy for a spouse, should you be the first to go. Or perhaps you want to leave a tax-free legacy to grandchildren or other beneficiaries, or maybe set up a scholarship fund or leave it to another good cause. Some policies have accelerated benefits allowing you to take death benefits early for long term care, terminal illness or tax-free income. So just because your life transitions into retirement, don't discount the potential value in keeping an old policy purchased for whatever reason or even buying new life insurance

### **3. You are newly married or divorced.**

A change in your marital status affects how many people you must account for in your life. Whether you have married, remarried, or divorced, your needs may be different. When you experience one of these changes, you'll want to revisit your life insurance policy to ensure it accurately reflects your marital status and your financial profile, as well as to make sure any beneficiary information is updated.

### **4. You and your spouse are no longer employed.**

While you were working, you may have had life insurance coverage through your employer. Once you left your employment, your policy may have lapsed or terminated. If you still need a death benefit to replace income for a spouse or

take care of loved ones, you may need to consider new insurance.

### **5. Your beneficiaries changed.**

Whether you want to name a new spouse, child, or grandchild as a beneficiary or remove someone who has passed away, revisiting your life insurance regularly will help ensure your beneficiaries are up to date. Any time you have a change in your beneficiaries, you need to make adjustments to those particular policies and notify your carrier. Failure to make policy changes may block access to funds, they may have to go through probate, and may put in jeopardy the money you've invested.

In short, your unique financial needs will drive what strategies make sense for you. A variety of considerations will affect whether you need to revise your life insurance policy beyond what we've shared here. To learn what strategy is right for you, feel free to contact us. We're happy to discuss the options available to you as you pursue your financial goals.

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