

Finance for Life™

Achieving Financial Success™

Finance for Life. Wealth for Living.™



Financium.com



Is Life Insurance Really Worth It?

In the event of the death of the insured, life insurance is designed to create capital. It provides a precautionary measure in a financial plan to stabilize the financial security of loved ones reliant on your income or your capital provision. If you have a

spouse or children, make sure you have adequate life insurance coverage.

Why do I need life insurance when I am beginning a family?

When you have young children it protects their financial future. An ongoing future use of capital is provided by life insurance, such as:

- Investments can be purchased from which to create an income to cover the living expenses of a family; often providing for the retirement of a spouse.
- Funds can establish a trust, from which a family can acquire income.

If you can't afford the premium for lifetime coverage,

consider term insurance or a combination of both. Term plans are quite affordable when you have younger children and little savings and/or a small net worth. Buy enough insurance to meet your needs. Many families need \$250,000 or more—even up to \$1,000,000 during low interest periods—to generate adequate investment income if the breadwinner were to die. For example, at 5%, \$1,000,000 will generate \$50,000 annual interest as pre-tax income.

Why would I want life insurance when I am retired?

Lifetime plans can resolve estate planning problems. Because there are often additional investment vehicles built into the policy (some include the use of the life insurance company's dividends) the cost of lifetime insurance coverage is higher. Yet the tax-free death benefit can solve estate planning problems such as paying an estate's tax liability on capital gains.

Current one-time capital uses are provided by life insurance, such as:

- Pay off liabilities such as credit cards, debts, bills outstanding, loans, and/or estate taxes upon death.
- Pay for the final expenses associated with a funeral and burial.
- Create money to pass on to heirs such as children or a spouse.
- Pay off business related liabilities

Please seek professional advice prior to investing. Where mutual funds are considered, please read the funds' prospectus before investing. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments which are not guaranteed; their values change frequently and past performance may not be repeated. Any indicated rate of return is for illustration purposes only and is not intended to reflect future values of returns on investment. Financium, the publisher does not guarantee accuracy of information, and will not be held liable in any way for any statements or statistics in this publication, though we seek to present reliable, precise and complete information. Written permission of Financium who retains all rights, must be obtained prior to any reproduction. ©Financium. email: admin@adviceon.com [03/01/10]