

Insurance Matters

Evaluating Your Life Insurance Needs—Are You Covered?

(NAPSA)—While it may not be possible to anticipate all of life's uncertainties, when properly used, life insurance can help an individual or a family survive the financial challenges posed by the passing of a loved one.

Unfortunately, many Americans are not prepared for such unexpected events. According to a 2005 study conducted by the insurance research organization LIMRA International, 44 percent of all U.S. households either don't own life insurance at all or own some life insurance but believe that they need more.

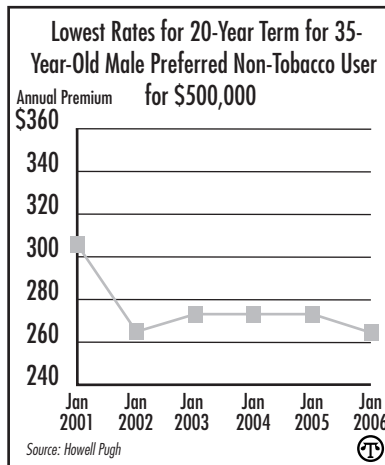
LIMRA also cites complexity, the perception that life insurance is expensive, and procrastination among the key reasons holding back buyers.

For most middle-income Americans, term life insurance can be an affordable and easy way to solve one's life insurance needs. According to a report on term life insurance rates by actuarial consultant Howell Pugh, term life insurance rates decreased almost 15 percent between January 2001 and January 2006.

"Competition among term life insurance providers continues to be fierce. This is keeping prices low for consumers," said Alan S. Lurty, senior vice president at ING U.S. Financial Services, a leading distributor of life insurance.

Buying term life insurance can be a relatively straightforward process. A number of Internet-based providers offer online quotes. Additionally, most local life insurance agents also offer term policies.

With term insurance, buyers choose a specific period of time that would adequately cover their insurance needs, generally 10, 15, 20 or 30 years. The annual



Competition between life insurance providers has caused premiums to drop, lowering costs for consumers.

premium remains the same during that period. The cost for a policy varies based on a buyer's age, health and the length of the policy. Policies pay a death benefit to beneficiaries should the insured person die during that term.

How Much Insurance?

The amount of life insurance you need depends on your financial objectives—but your first steps should always be the same. "Evaluate your personal situation to determine your financial goals," said Lurty.

Here are some issues to consider when evaluating your life insurance needs:

- Replacing income. A primary use of life insurance is to make funds available to survivors so that they can maintain their current standard of living.

- Funeral expenses. The cost of a funeral for an adult can easily run \$10,000 or more.

- Debt elimination. Most credit card and loan companies require

final expenses to be paid in cash within a short period of time after a death occurs.

- Anticipated expenses. Got kids? Are they planning to go to college? What about getting married? College and weddings are two large, typical family expenses.

- Replacing services. Does one spouse stay home to care for the children? How much would it cost to hire a child-care provider if that person died? How about a house cleaner, handyman or car mechanic? Life insurance buyers need to consider what services they might need to purchase should someone in their family die.

- Retirement planning. A surviving spouse may have depended on contributions previously made by a spouse to meet retirement objectives. When calculating their insurance needs, insurance buyers should consider both future contributions that would have been made by the spouse as well as any company match.

- Special needs. Life insurance can help provide financial assistance to a family member with a physical or mental handicap who requires lifetime assistance.

Experts say life insurance should be a cornerstone of any financial plan. Consult with spouses or other family members to determine your financial objectives.

There are multiple calculators available on the Internet to help you determine your life insurance needs. However, while these calculators can provide you with a general direction, insurance experts agree that consulting with a professional and remembering to periodically evaluate your coverage are the way to go.

To learn more, visit www.ing.com/us/lifeinsurance.