

# Don't Overlook Your Insurance Needs

(NAPSA)—Rick Butts, an electrical engineer living near Fort Worth, Texas, understands first hand how tragic an accidental death can be. His wife—a stay-at-home mom who home-schooled five of their six children—died a few days after the birth of their seventh child in 2001.

Butts, whose children are now 16, 13, 11, 9, 6, 4 and 1, tried working for a few weeks after his wife's death, but found it to be too much with so many young children. Fortunately, Butts had previously taken out as much life insurance on his wife as he had on himself and the policy provided the financial help his family needed to stay in their home—without incurring any drastic lifestyle changes.

"It's made the transition for them so much easier," said Butts. "Right now, I'm able to stay at home and school the kids myself. Because of the policy, we basically have no real financial concerns."

When it comes to determining your family's life insurance needs, do you and your spouse think your value is determined by the amount of your paycheck? If so, you may be selling yourselves short—especially if one of you doesn't generate an income.

When it comes to measuring your worth, income is only one piece of the value puzzle. Your contributions—from helping to care for your children to maintaining your home—are another. And how financially well-prepared you and your spouse are for an untimely death, may mean the difference between life and quality of life for your survivors.

## How much coverage do you need?

In the past, financial professionals favored the basic needs method when calculating how much life insurance coverage you would need. Today, more and more financial professionals and their clients are turning to human life value.

The basic needs method says your insurance should cover today's lost income plus the total of any debts and obligations, such as your mortgage, debts, funeral expenses and other funding needs.

Human life value considers a longer-term perspective. It considers not only an individual's current income, but also his or her pro-



**Life insurance should cover not only a person's income, but also his/her contribution to the household.**

jected earnings and the value of his or her contributions to the family. Not only can human life value help you adequately prepare for the loss of an income-generating spouse, it can also help you calculate the life insurance needs of a non-income generating spouse.

Say, for example, you're considering insuring a stay-at-home mom. It would be difficult to preserve the financial status quo for the family in her absence because you would have to pay for day-care, housecleaning and maintenance, and more. By considering how much these services would cost your family, you can begin to assess how much insurance you would need in the event of an unexpected death to provide your family with financial stability at a difficult time.

Many people risk overlooking what their insurance needs are and how to put the right life insurance to work for them. Fortunately, qualified financial advisors are available to help.

To help you simplify and determine how much and which type of life insurance best suits your financial situation, consult with a knowledgeable financial advisor or call American Express Financial Advisors at (800) 432-0788.

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