

10 Reasons to Consider Life Insurance at Any Age

All too often life insurance needs don't necessarily end; they simply change. When raising a family, life insurance can provide protection to your loved ones with the peace of mind that your income will be replaced if you die prematurely. That's why life insurance is recognized as one of the most cost-effective ways to help ensure a family's financial security.

As your needs change over time, life insurance continues to be a valuable tool. Life insurance can benefit you and your family by helping to:

- 1. Cover final expenses.** With unpaid medical bills, funeral costs, taxes, and estate settlement costs, final expenses can add up. Life insurance can provide funds to pay these costs, helping to prevent the need to liquidate assets to pay the bills.
- 2. Reduce estate shrinkage.** Many people believe that, since their estates are under a certain size, there will be few if any expenses when they die – but this is rarely the case. At death, regardless of the size of your estate, there will be settlement costs. As a rule, the smaller the estate, the greater the percentage of shrinkage, because debts and liabilities must be paid. Plus, there may be probate costs and state death taxes. The result can be a serious loss of assets to a surviving spouse or other heirs. Life insurance can help counter that estate shrinkage.
- 3. Ensure spouse's financial security.** Life insurance can help guarantee the financial security of your spouse by providing a lump sum payment or ongoing income. At your death, there may be a change in pension benefits and/or Social Security benefits. Life insurance can help replace that lost income, and often makes the difference between a questionable financial future and security for a surviving spouse.
- 4. Preserve your estate.** Life insurance can preserve your estate for your heirs, leaving funds intact for a surviving spouse, children or grandchildren.
- 5. Provide cash values.** Life insurance can provide living benefits for you and your spouse. A permanent life insurance policy can build cash values. This money can be used as a security fund to meet emergencies* or to generate ongoing income while you are alive.
- 6. Pass on more to your heirs.** Death benefits are not subject to income tax, so your beneficiaries receive 100 percent of the proceeds. Plus, proceeds can sidestep the probate process and pass immediately to your heirs.
- 7. Provide tax savings.** Life insurance provides tax-deferred growth. The cash value in your certificate accumulates on a tax-free basis, and the earnings** generally are not taxable as income. As a result, you can have both a growing asset and tax savings.

* Any withdrawal will lower the death benefit if not repaid.

** Please consult your tax advisor.



8. **Make emergency funds available.** Life insurance provides access to cash at any time through cash value loans. You can let the money accumulate or begin tapping into it for emergencies, income supplement, grandchildren’s education funds or other opportunities. The choice is yours.
9. **Keep your funds safe.** There are no minimum distribution requirements on cash values. Unlike a qualified retirement plan, life insurance cash values can remain in the certificate until your death.
10. **Qualify for a living benefit.** With qualifying Catholic Financial Life insurance plans, the Living Benefit™ will allow you to use your life insurance to pay for certain nursing home care, organ transplants or terminal illness expenses.

How Much Life Insurance do You Need?

The chart below shows one example of the income each amount of life insurance proceeds can generate. For example, based on the assumptions provided: a \$200,000 death benefit will provide \$8,000 a year (\$666 a month) in supplemental income, while still leaving the entire principal amount untouched to be passed on to your loved ones.

Annual Income Needed	Life Insurance Needed
\$8,000	\$200,000
\$16,000	\$400,000
\$20,000	\$500,000
\$30,000	\$750,000
\$40,000	\$1,000,000

Premise: The principal earns 4 percent after taxes; interest only is withdrawn each year; the principal remains intact for emergencies or eventual distribution to heirs.

Do you need additional life insurance? That’s a question only you can answer. However, it is important to review your needs and consider life insurance as one of your options.

For more information please contact your Catholic Financial Life Advisor or the home office at (800) 927-2547.

Not all products are available in all states.



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