

The Importance of a Life Insurance Audit

Is it time to review your policy?

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Life insurance is hard. It's hard to know if you have the right kind. It's hard to know if you have enough. And it's hard to know if you need any at all.

The insurance companies have made it even harder by coming up with bewildering names: whole life, term life, universal life. Some life insurance policies have a cash value while others do not. Some invest that cash value in the stock market while others pay a fixed rate of interest. Some insurance policies combine all of these ideas.

A recent study by life insurance advocacy group LIMRA (previously known as Life Insurance Marketing and Research Association) discovered that most Americans thought a 20-year \$250,000 level term life policy for a healthy 30-year-old costs about \$400 a year. In reality, annual premiums for such a policy typically run about \$150. No wonder, as LIMRA noted, that 83% of consumers forego buying life insurance. I see this misperception all the time. In addition, some people are paying for insurance that is not right for them.¹

This is why it is important for you to sit down annually with an insurance professional to review how your policy works and how it will help you to protect your family.

When you're young, a certain type of policy is needed. As you raise a family and take on more responsibilities, your needs change again. At some point - when the nest is empty or other life changes occur - there may come a time where you don't need life insurance at all or you may desperately need it to protect your estate. Reviewing your life insurance policies is one way to make sure you have the coverage that is right for you and your family now, today – not when you bought it.

When is the last time you thought about your life insurance? Is it time to take another look?

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Citations.

1 - lifehealthpro.com/2013/08/30/the-shocking-statistics-behind-the-life-insurance [8/30/13]