

# Your helpful life insurance guide: Empty nesting



**As your kids grow up and leave the house,** life insurance should still be a part of your plan going forward. Amica Life can help you determine if you have enough coverage.

At Amica Life, we believe helpfulness is what life is all about. With that in mind, we've created this guide that'll make understanding life insurance, and the need for it, much easier when it comes to protecting the ones you love in your golden years.



# Why do you need life insurance when empty nesting?

When your children have grown and moved out of the house, many refer to that as the “empty nesting” stage of life. During this time it’s common for people to feel that there may no longer be a need for life insurance. However, many empty nesters are delaying retirement to pay off their mortgage, cover unexpected expenses and care for adult children and/or grandchildren as well as aging parents. This need for additional income demonstrates that there is still a need for life insurance as an “empty nester.”

Today, it’s common for empty nesters to find themselves with a gap in life insurance coverage. Two factors contributing to this gap are expiring term policies, typically purchased 20 or 30 years ago, and changes in or the loss of group life insurance as jobs or company contributions evolve. As a result, individuals may not have all of the protection they need to help through retirement and with final expenses.

It’s important to have the right amount of life insurance coverage to help provide your family with a means to pay off debt and help make up for lost income after you pass. Should you pass away unexpectedly, you’ll want to ensure your spouse is able to help provide for your loved ones, maintain the same lifestyle that they are accustomed to, help pay for final expenses, as well as have some money to cover day to day expenses.

Help ensure you have the right type and amount of coverage in place by taking time to call your life insurance company. Talk about any life changes and make sure you have the appropriate amount of protection in place to help protect the ones you care about the most.

To identify the right coverage for your unique needs and to see how affordable life insurance can be, give us a call today at **844-753-5433**.

## HERE ARE THREE SIMPLE QUESTIONS TO CONSIDER SO YOU CAN DETERMINE WHAT IS BEST FOR YOU:

### 1 What type of life insurance is right for you?

There are two basic types of life insurance, term and permanent life insurance. Term life provides protection for a specific period of time. Whole life is intended to last for one's entire life. The decision on which policy to buy varies from person to person, but for those who are buying it to protect their income as they continue to work, the answer is typically term life insurance. For those looking to help with final expenses, a whole life policy, a type of permanent life insurance, may make sense. If you have existing term insurance, you may be able to convert some of it to a whole life insurance policy.

### 2 How much do you need to buy?

The amount of life insurance you need can be determined by evaluating what you want to help protect, your current income, assets and other life insurance coverage. For example, you may wish to help provide for dependent children and parents as well as final expenses. Here it might make sense to get a term and whole life policy. The term life insurance (temporary coverage) can help ensure your dependents for a specific time, such as when your child becomes financially independent. While a small whole life policy (permanent coverage) will be in force when you pass and help to cover your final expenses.

### 3 How much can you afford to buy?

This, of course, is a personal decision that is affected by many factors. The good news is that life insurance has never been more affordable for individuals over the age of 50.

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# What is life insurance?

Life insurance is a contract you purchase to help ensure you can leave your family a sum of money, which will help them cover any expenses, should you unexpectedly pass away.

You choose the amount of coverage based on your family's needs, assets and future goals. This money could be used to pay for things like your final expenses, the mortgage, debts, daily expenses, future education expenses and more.

## Why do you need life insurance?

People need life insurance for many different reasons during their lifetimes, but the most common is this: **To help protect your family from financial burden if you unexpectedly pass away.**

The *greatest* benefit of having life insurance is the peace of mind you'll gain knowing that you've helped protect your family's financial security in case you're no longer there to support them. The last thing in the world you would want is for a loved one to have to bear a financial burden in addition to the emotional impact of your loss.

With life insurance, you can be confident knowing your loved ones can have help with things like:

- Paying for your final expenses
- Paying the mortgage to help keep them in their home
- Paying for your children's care and education
- Paying for everyday expenses to maintain their standard of living
- Making up for your lost income
- Paying credit card debt or medical bills
- Many other expenses

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# Types of life insurance

THERE ARE TWO BASIC TYPES OF LIFE INSURANCE POLICIES:

**1** **TERM LIFE INSURANCE:**  
Coverage designed to help provide protection for a specific amount of time, typically 10, 15, 20, 25 or 30 years. It can be used to help cover temporary needs, like a mortgage, education or income replacement. The rate and coverage amount stay the same throughout the selected period of time.

**2** **PERMANENT LIFE INSURANCE** (also called cash value insurance):  
Coverage designed to help provide protection for your lifetime as long as premiums are paid. This permanent protection can help ensure you have coverage for final expenses, plus it builds **cash value**, giving you more options and flexibility. A common type of permanent insurance is whole life insurance.



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At Amica Life, we can help you determine what type of life insurance is right for you by listening to your needs and understanding your financial goals. From there, we can guide you through your options and recommend a coverage amount that fits your unique needs and your budget.

An important thing to remember is that while your job may offer **employer-provided life insurance**, you shouldn't rely solely on this coverage. Think of this coverage as supplemental or extra because employer-provided coverage generally only provides coverage equal to one or two times your salary, and this may not address all of your coverage needs. Also, in some cases, this insurance is not transferable, so you may not be able to keep your coverage if you change or lose your job.

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### HELPFUL LIFE INSURANCE TERMS:

**Cash value:** The amount of money that accumulates in a whole life insurance policy. It typically takes at least two years to accrue and **can be borrowed against, withdrawn, or used to pay future premiums. Taxes and charges may apply.**

**Employer-provided life insurance:** A life insurance policy owned and provided by an employer that covers a group of individual employees. The life insurance policy is often provided as an employee benefit that provides coverage for one or two times the individual's annual salary and may end if the employee leaves the job or retires.

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# How much life insurance do you need?

Do other family members depend on you? No matter what stage of life you're in, it's important to consider several factors when determining how much life insurance you need. Do you have a mortgage to cover? A spouse and children? Other family members who depend on you?

At Amica Life, we offer a comprehensive life insurance needs calculator you can use to find out exactly how much coverage is right for you in just a few easy steps. You can find this calculator by visiting [amicalifelessons.com/needs-calculator](https://amicalifelessons.com/needs-calculator) or [amicalifelessons.com](https://amicalifelessons.com) and clicking "Get Started."

THE INFORMATION BELOW INCLUDES IMPORTANT THINGS TO CONSIDER WHEN DETERMINING THE COVERAGE AMOUNT BEST SUITED TO YOU AND YOUR UNIQUE NEEDS.

## Match your term coverage to the term of the mortgage.

If you have a 30-year mortgage, purchasing a 30-year term policy that's equal to or more than your mortgage amount can help cover this expense if the unexpected happens.

## Support any family members who may depend on you.

Whether you have aging parents or adult children, it's important to include coverage to help protect those you take care of.

## Consider costs for child care, education and household services.

An important part of life insurance coverage is having enough to make sure your family can maintain their standard of living. With the right amount of coverage, you can help your family to be able to stay in their home, cover child care and household needs or even help save for college expenses.

## Include coverage for final expenses.

Funerals and final expenses can be costly – having coverage in place will help alleviate the burden on your family.

The list above is not meant to be exhaustive, as everyone has different needs to consider when determining the right amount of life insurance. It's also important to note that your life insurance needs can change over time. Make it a point to re-evaluate those needs at least every two years.

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65% percent of Americans say they won't buy life insurance because they believe it's too expensive. About two-thirds say their mortgage, groceries and their electric bill are keeping them from buying some or more life insurance coverage.<sup>1</sup>

"The truth is that the cost of life insurance has actually decreased over the past decade."

– *Walt Zultowski, Ph.D, Principal of WZ Research + Consulting, LLC*

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<sup>1</sup>Facts from LIMRA, September 2015

# How and when to file a claim

If you have life insurance or are looking to purchase it, you might not be aware of the steps your family would need to take in the event of your passing.

Typically, when a policyholder passes away, the **beneficiaries** will contact the life insurance company to report the death in order to start the process of acquiring the funds from the policy. This process is called “**filing a claim.**”

First, some general questions about the cause and circumstances of death are asked, and then the beneficiaries need to fill out a few simple forms. Dedicated Amica Life representatives are available to assist and make this process as easy as possible.

You will need the insurance policy, information regarding the manner and cause of death and a certified copy of the death certificate. In some instances, we may need to obtain medical history information, including doctor’s names and medical treatments.

“It was such an enormous relief that the one piece that was so vitally important, the life insurance, was easy and I had a check in record time...in the aftermath [of my husband’s death]. This was amazing to me. It was just so easy.”

– Jenna, Amica policyholder

## IF YOU HAVE A LIFE INSURANCE POLICY, HERE ARE A FEW IMPORTANT THINGS TO REMEMBER ABOUT BENEFICIARIES:

**1** Make sure the beneficiaries, their addresses, Social Security numbers and other important information is up to date.

**2** Be clear when naming your beneficiaries. If someone has a common name, such as John Smith, having the correct personal and contact information will ensure we can connect with that individual.

**3** Discuss methods to provide funds for minors. For example, creating a trust is one way to provide funds for their benefit, or naming a custodian for the minor under a specific state's Uniform Transfers to Minors Act – since, as a general rule, we cannot legally pay proceeds directly to a minor beneficiary.

**4** Tell your beneficiaries that they are named on your life insurance policy. Also, let them know the name of the company, since this will make the process easier if you pass away unexpectedly.

### HELPFUL LIFE INSURANCE TERMS:

**Beneficiary:** After the insured dies, this person (sometimes more than one), trust, charity or other is designated to receive the payment of a life insurance policy. When the policy is first purchased, the owner typically chooses the beneficiary and can change it as desired.

**Filing a claim:** Process started by the insured's beneficiary(ies) with the life insurance company, in order to receive the life insurance benefits from the insured's policy after they have died.

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# About Amica Life



What real Amica Life customers are saying...

"I spoke with a representative at Amica Life and I thought she was great. She wanted to know how she could help me. She asked me questions about myself, my children and our medical history. Based on those conversations, they determined what was best for me. They asked me what I would need if something was to happen to me or to my children, what would I need to cover in terms of funeral arrangements, any bills that we may still have outstanding, and they took all of that into consideration and helped me determine the amount of life insurance I should get. She gave me different options and then helped me understand what my choice meant to me. That's great service and that's everything."

Brenda C., Quincy, MA

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For more than 100 years, the Amica companies have built a reputation for consistent, high-quality customer service. We offer some of the best term life insurance rates currently available and a variety of options that we'll be happy to explain, to ensure that you have the right coverage. Amica Life also provides financial strength you can depend on. A.M. Best<sup>2</sup>, a leading authority on insurance company financial stability, has given a rating of A+ (Superior) to Amica Life. Our dedication to extraordinary customer service has been recognized time after time throughout our long history. Because at Amica, we believe helpfulness is what life – and insurance – is all about.

## GET IN TOUCH

**Monday – Thursday: 8 a.m. – 10 p.m. ET | Friday: 8 a.m. – 8 p.m. ET | Saturday: 9 a.m. – 4:30 p.m. ET**  
**844-753-5433 Fast. Easy. Helpful.**

Visit Amica Life Lessons<sup>®</sup> at [amicalifelessons.com](http://amicalifelessons.com) for helpful information about life insurance and for help on how to protect the ones you love most.

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<sup>2</sup>A.M. Best Company. Feb. 3, 2017. A+ is the second highest of 15 possible ratings. For the latest rating, access [ambest.com](http://ambest.com).