

# Insurance News and Notes

## Choosing Life Insurance

(NAPS)—There are ways to ensure you choose the right life insurance. That's important, because analysts say a sound financial plan begins with a good life insurance package. These questions and answers may help you decide which type is best for you:

**1. How much life insurance do I need?** Carefully examine your current and future financial obligations, and the resources that your surviving family members could draw on to meet them. The difference between the two is the approximate amount of additional life insurance you need.

**2. What type of policy should I buy: term or permanent?** Generally speaking, "term" offers the greatest coverage for the lowest initial premium and is a good solution for people with temporary needs. Permanent insurance may make more sense if you anticipate a need for lifelong protection and like the option of tax-deferred savings.

**3. Does it make sense to replace a policy?** Before dropping any in-force policy, consider:

- If your health status has changed over the years, you may no longer be insurable at standard rates.

- Your present policy may have a lower premium rate than is required on a new policy of the same type.

- If you replace one cash-value policy with another, the cash value of the new policy may be relatively small for several years and may never be as large as that of the original one.

**4. Should I just buy basic life insurance coverage?** That depends on your specific needs and budget. Here are a few policy riders:



**Financial resources are just one factor to consider when buying life insurance.**

- A disability waiver of premium, which stipulates that if you become totally disabled for a specified period of time, you don't have to pay premiums for the duration of the disability.

- Accidental death benefit, which pays an additional benefit in the case of a death resulting from an accident.

- Accelerated death benefit, which allows you, under certain circumstances, to receive the proceeds of your life insurance policy before you die.

**5. How do I find a good insurance agent?** Seek recommendations from friends and professionals such as your lawyer or accountant. Also, consider someone who has received special certifications such as Chartered Life-Underwriter, (CLU) Chartered Financial Consultant (ChFC) or LUTCF. You can also search for an agent or advisor with an organization such as the National Association of Insurance and Financial Advisors (NAIFA), the nation's largest financial services membership association. To find a NAIFA member in the area, visit [www.naifa.org](http://www.naifa.org).