LIFE INSURANCE

THE BASICS

Life insurance gives your family money if you pass away. That payout can replace your income, pay off debt, and keep your loved ones on steady ground. There are two main kinds, and here is how each one works.

Term & Permanent Life *(The Two Primary Types)*

Term Life

Coverage for a set number of years

How It Works	You pick a length of time, such as 20 years. If you pass away during those years, your family receives the payout. If you outlive the term, the coverage ends.
Cost	Lowest cost of the two. Most affordable way to get a large amount of coverage.
Cash Value	None. It is pure protection.
Lengths	10, 15, 20, 25, or 30 years. A few carriers offer 35 or 40.
Best For	Big, temporary needs like a mortgage or the years you are raising children.

Permanent Life

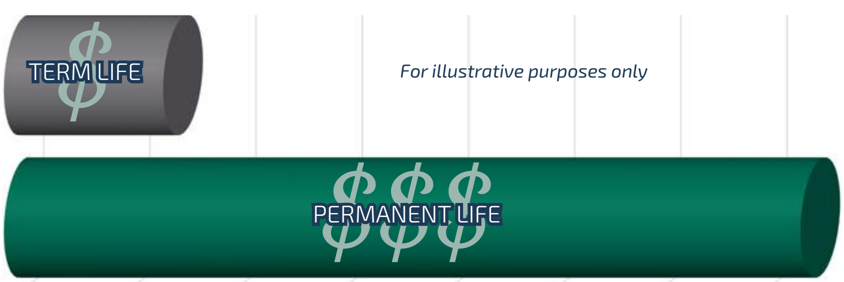
Coverage that can last your whole life

How It Works	As long as you keep paying, the coverage stays in force for life. Part of what you pay can build cash value, which is savings inside the policy.
Cost	Higher. Often 5 to 15 times more than term for the same payout.
Cash Value	Yes. It can grow over time, and you may be able to borrow against it later.
Lengths	Includes whole life and universal life.
Best For	Lifelong needs, estate planning, and leaving a legacy.

For added protection, many families carry *both* term and permanent life.
Term covers the years with the biggest needs, while permanent stays in place for life.

What They Cost, Side by Side

For the same death benefit, **permanent life often costs 5 to 15 times more than term.** Your real price depends on your *age*, *health*, and *how much coverage you buy*. Starting younger and healthier usually means a lower price.

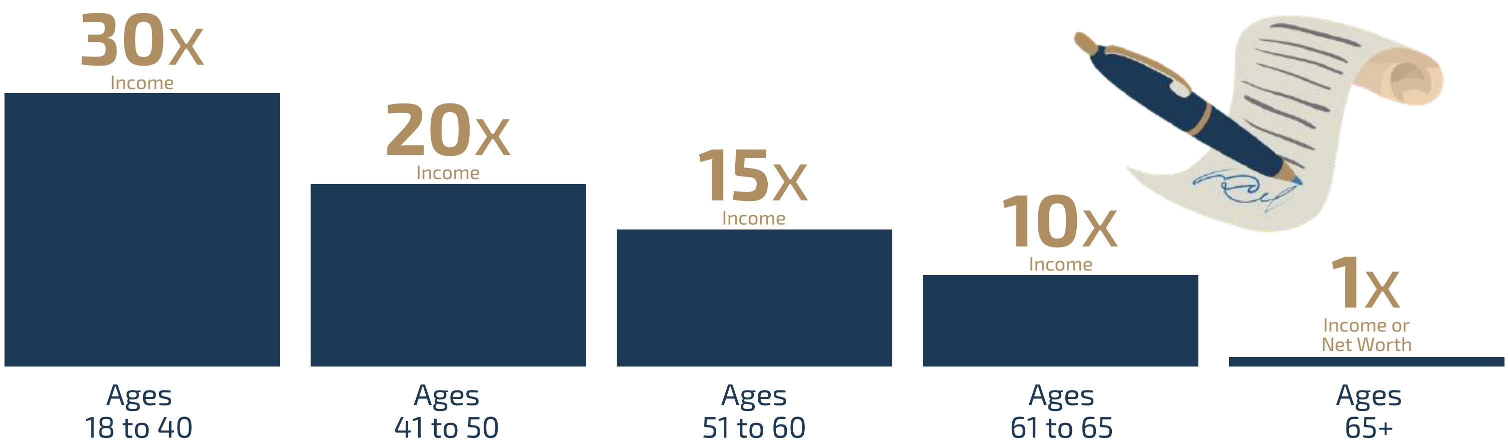


Terms to Know

Premium: The amount you pay for the policy, usually each month or year.	**Death Benefit:** The money your family receives if you pass away while covered.
Beneficiary: The person or people you choose to receive the death benefit.	**Cash Value:** Savings that can build inside a permanent policy over time.
Rider: An add-on that changes or expands your coverage.	**Convertible:** A feature that lets you switch a term policy to permanent later.

So How Much Coverage Might You Need?

A common starting point ties your coverage to your income, since the goal is to replace the money you would have earned. Younger workers have more earning years ahead, so the multiple is higher. These figures are a quick guide, not a final answer.



The 65 and up figure reflects that coverage needs often shrink in retirement, when many people insure for final expenses and legacy goals. Treat every band as a starting point and confirm your number with a personal review.

A Sharper Method: DIME

For a closer number, advisors add up four things, then subtract what you already have.

D	**Debt:** Credit cards, car loans, and other balances.
I	**Income:** Yearly income times the years your family would need it.
M	**Mortgage:** The balance left on your home.
E	**Education:** Expected college costs for your children.

Then subtract your savings and any coverage you already carry.

See It In Numbers

Take a 55-year-old who earns $120,000 a year.

$120k × 15 = $1.8M

- The 15x guideline points to roughly $1.8 million as a starting point.
- A DIME estimate could land higher or lower once you add debts and your remaining mortgage, then subtract savings and any coverage already in place

A short review helps you find the right figure for your family.

How to Choose

1. **How Long?** A set number of years points to term. A lifelong need points to permanent.
2. **What Fits Your Budget?** Term fits tighter budgets and buys the most coverage per dollar. Permanent costs more and adds cash value.
3. **Want Savings Built In?** If yes, permanent can build cash value. If you want maximum protection at the lowest price, term wins.

Good to Know

- Many term policies are convertible, so you can switch to permanent later, often with no new health exam.
- Coverage usually costs less the younger and healthier you are when you start.
- A death benefit is generally income-tax-free to your beneficiaries.
- Borrowing against cash value lowers the death benefit and needs to be managed with care.

If you have any questions, schedule a 15-Minute Discovery Call!

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