

Financial News And Notes

Life And Long-Term Care Insurance: How Much Is Enough?

by John Addison

(NAPSA)—The right amount and the right type of insurance can help keep your nest egg from cracking. Here are some answers to frequently asked questions about two important insurance products: life insurance and long-term care insurance:

Life Insurance Basics

Q: Should I rely on my company-provided life insurance plan?



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A: While most workplace life insurance policies cover one or two times your annual salary, financial experts generally recommend buying enough insurance to replace seven to 10 times what you earn. Plus, what happens if you change jobs or lose your job? Not all policies are portable.

Q: Do I need to review my coverage?

A: If you're like most people, odds are you'll need to rethink your coverage as your family grows. You have two choices: term or permanent. If your goal is to support your children until they're old enough to support themselves, then term is likely all you'll need.

Q: How much life insurance do I need?

A: Some financial experts recommend anywhere from seven to 10 times the amount of your annual salary, especially if you have a lot of debt or children.

Long-Term Care Insurance 101

Q: When do I need long-term care insurance?

A: The longer you wait, the higher the premium you'll pay. For example, the average annual long-term care premium for people in their 50s is \$1,900. If you wait until your 70s, it can be as much as \$16,000 annually. It can pay to sign up for care sooner rather than later.

Q: How much do I need?

A: Long-term care insurance gives you a daily benefit. The higher your benefit, the higher your policy price tag. Since nursing home prices vary greatly based on location, try to match your coverage to the area you think you will retire in.

Q: How long do I need the insurance?

A: Each individual must assess his or her own needs. Long-term care should be given the same consideration as other long-range planning objectives.

The guidance of a financial professional can often be helpful when determining insurance needs. For example, the financial professionals at Primerica have created a guide that shows you how to take control of your financial life. To get a copy of "How Money Works," write to Primerica, 3120 Breckinridge Blvd., Duluth, GA 30099, ATTN: Corporate Relations, or call (770) 564-6329. For more information, visit www.primerica.com.

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