

Understanding Insurance

When Do You Need Life Insurance?

(NAPSA)—Few Americans today would consider owning a home without having insurance. Likewise, car owners will often opt for comprehensive insurance to protect their shiny new vehicle. However, when it comes to life insurance, a surprising number of adults think they do not need it or cannot afford it—but they do and they can. In fact, the monthly premium for a \$500,000 life insurance policy may cost about the same amount as one large pizza.

According to Allstate's 2006 Retirement Reality Check survey, 36 percent of respondents are without life insurance coverage. They claim to be "in the process," "intending" or "have no plans" to purchase life insurance. This data is further supported in a 2006 study by LIMRA, which revealed that 68 million adults (32 percent) are without life insurance.

Here are some circumstances in which life insurance is necessary—and often vital:

- Others depend on your income. Whether they are children, a spouse or elderly parents, you need life insurance to ensure their future financial security. The mortgage, education costs and day-to-day expenses do not end when you die.

- You manage a household. Even if you do not bring home a paycheck each week, you still make important contributions to your family. Some experts have estimated the annual value of child care, housekeeping, cooking, etc., at about \$40,000 a year.

- Your assets will be transferred through a will. Due to a sometimes lengthy probate process,



When people depend on you, you need insurance.

cess, your heirs may need the immediate cash that life insurance proceeds may provide.

- Your assets are subject to estate taxes. Estate taxes may eat up a huge amount of personal assets. Life insurance can provide the liquidity to pay estate taxes and preserve assets for loved ones.

- You own a business. Life insurance can provide surviving partners with the funds to buy out your share.

- Personal responsibility is important to you. Even if you are single with no dependents, you may not want to burden family members with debts or funeral expenses. Also, you could use potential accelerated death benefits to pay bills during a terminal illness.

These scenarios show a few of the many ways that life insurance is invaluable. So when do you need life insurance? Just about always.

To determine what life insurance coverage is right for you, visit an insurance agent or visit www.allstate.com/lifeinsurance to learn more.