

Paying It Forward with Life Insurance

The powerful thing about life insurance is that it's something that everyone can benefit from, no matter where they are from, what their circumstances are, or what the past has held for them. The person who owns it leaves behind a financial legacy for their loved ones (or even a business or charity) and ensures their financial future is secure.

But it can only do this if people know about its power and own adequate coverage.

Fortunately for Olivia Gillis, she was introduced to life insurance at a very young age. She saw her grandmother setting a great example by first purchasing burial insurance, and then later buying a more robust life insurance policy. Olivia explains that her grandmother was intent on not just "paying for their funeral, but having money left over that could be shared with the family. Her explanation made a lasting impression throughout my life." (Read more of Olivia's story [here](#))

That impression was so strong that Olivia is now working in the life insurance industry, helping more families get access.

Much more than burial insurance

The Black community has historically understood the importance of life insurance for burial. In fact, 66% cited it as a key reason for owning life insurance, versus 48% of the general population, according to the 2021 Insurance Barometer Study by Life Happens and LIMRA.

And that makes sense. Coverage for final expenses is the No. 1 reason people purchase life insurance. But unlike Olivia's grandmother, far fewer leverage life insurance for the power to help those left behind thrive financially and to create multigenerational wealth.

The unexpected death of a breadwinner or caregiver usually triggers an ongoing financial gap that goes well beyond funeral costs. Having life insurance can mean the difference between remaining in the family home or having to sell it, going to college, or having to bypass that opportunity to work, enjoying a well-deserved retirement, or working into old age. And that's just the start.

As Olivia's story shows, life insurance serves a greater purpose than covering funeral and burial expenses. But understanding how much life insurance you may need beyond these basics doesn't have to be hard or confusing. Use an online Life Insurance Needs Calculator to help you get a working idea of how much life insurance would be a fit for you and your family.

Keeping families whole: in life and death

Another misconception about life insurance is that it only benefits your family when you die. Don Wachtel's story proves otherwise. Diagnosed with an inoperable brain tumor, he was able to use a portion of his life insurance while he was still alive, via an accelerated death benefit rider. It allowed his wife, Tonia, to take a leave of absence from work to care for him, and he was able to spend quality time with her and his two daughters during his final months.

And of course, his policy did what it was supposed to after his death. “Without life insurance, I would have had to go back to work immediately, get a second job, and we surely would have lost our home,” says Tonia.

It’s more affordable than you think

A big barrier to getting life insurance is the cost. Actually, the truth is, the biggest barrier is the perception of cost. In fact, people wildly overestimate the cost of life insurance: 70% of Americans overestimate the cost by three times or more, and 44% of Millennials estimated the cost of a policy at more than \$1,000 a year. The actual cost for a healthy 30-year-old is around \$160 for a 20-year, \$250,000 level term life insurance policy.

Most people can afford a policy. And an easy way to find life insurance that fits your budget is to work with a professional life insurance agent or advisor. They will sit down with you (or Zoom with you!) at no cost to go over your needs and help you find a policy that fits your family and your budget. If you don’t have one, you can use this “find an advisor” tool to get started.

In the end, there is a policy out there for you, and it performs a very important function. As Ted Mathas, CEO of New York Life insurance says in this “kitchen table” conversation, “The heart of life insurance is about loving somebody and then acting upon that love to put in place protections so that if something happens to you, they’ll be taken care of.”

Remember, life insurance is a powerful financial tool. It can help fulfill your loved ones’ dreams into the future, no matter what life brings. But it can only do that if you put that coverage in place. The time to do that is now.

About the Organizations in the Financial Security Alliance

ABOUT ILTCI: The Intercompany Long-Term Care Insurance Conference Association, Inc. (ILTCI) is a public, non-profit, charitable, scientific, educational tax-exempt public benefit corporation. Our Annual Conference and multiple initiatives help a diverse group of Americans grappling each day with the impacts of our aging society. To learn more, visit www.iltic.org

ABOUT INTERNATIONAL DI SOCIETY (IDIS) is an organization whose members dedicate themselves to providing disability insurance to individuals, families, business owners, and employers to afford financial security in the event that an unforeseen disability occurs. We are devoted to growing consumer awareness and enhancing the disability insurance industry by expanding our members' resources, remaining current on industry trends, and providing a community for producers, distributors, underwriters and carriers to establish relationships and drive innovation.

ABOUT LIFE HAPPENS: Life Happens is a nonprofit organization dedicated to helping consumers take personal financial responsibility through the ownership of life insurance and related products. The organization does not endorse any product, company or insurance advisor. Since its inception in 1994, Life Happens has provided the highest quality, independent and objective information for people seeking help with their insurance-buying decisions. To learn more, visit www.lifehappens.org.

ABOUT NAIFA: Founded in 1890, NAIFA is the oldest, largest, and most prestigious association representing the interests of financial services professionals from every Congressional district in the United States. Our mission – to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members – is the reason NAIFA has consistently and resoundingly stood up for financial services professionals and called upon members to grow their knowledge while following the highest ethical standards in the industry. Visit NAIFA at www.naifa.org.

ABOUT NAIFA's LECP: NAIFA's Limited & Extended Care Planning Center empowers professionals to network with solution and service providers to share best practices, directly access subject matter experts, research, training and resources, and provide thought leadership so we may continue to address the changing needs of the market. To learn more, visit www.lecp.naifa.org

ABOUT PROTECTING EVERY FUTURE: Protecting Every Future is a network of diverse voices and people who believe we deserve common-sense policies that protect and strengthen the financial futures of all Americans. We make it our mission to give advocates a platform to speak their minds about financial security to all levels of government. We promote the importance of planning for a reliable financial future; encourage policymakers to take actions that protect retirement benefits and fight for reasonable policies that empower financial security for all Americans. Visit everyfuture.org