

9 REASONS TO HAVE INSURANCE NOW

Most people aren't thinking about purchasing life insurance in their 20s and early 30s, however, it's often the best time to purchase it.

An average 20-something or 30-something non-smoker can expect to pay between \$15 - \$50 a month for term insurance depending on the coverage amount and the length of the term. That's less than the cost of a gym membership to protect your family's financial stability in your absence.

If you don't have life insurance, here are 9 reasons why you probably need it:

YOU'RE THE HEALTHIEST YOU'RE GOING TO BE

Right now, it's often the case that you're the healthiest you're going to be, as time goes on, we start to run into more issues as we age and at a higher risk of something happening to us. Half the battle to purchasing life insurance is being approved medically and as we get older this becomes more challenging, it also requires more information and further testing. Recently, due to the pandemic, insurance carriers have raised their limits before a medical is required and in most cases, only a medical questionnaire is required.

ONCE YOU HAVE INSURANCE, YOU'RE GUARANTEED TO ALWAYS QUALIFY FOR THAT AMOUNT

Once you purchase life insurance, whether it's term or a permanent product, you're always guaranteed to be able to keep that coverage for life either through a conversion or already by purchasing a permanent product. For example, if you purchased \$1,000,000 of term insurance and diagnosed with cancer 15 years later, you can have that insurance automatically renew or you have the option to convert that term product into a permanent product at the rating you were originally approved for.



INSURANCE WILL COST YOU THE LEAST AMOUNT RIGHT NOW

The cost of insurance is an actuarial formula that's based on 5 key components; the amount and type of insurance, the sex a person was born, their age, their smoking status and prior medical conditions. You're the youngest you're going to be right now and most likely the healthiest you're going to be, because of that, you're premiums are going to be the lowest that they're going to be.



YOU'RE PURCHASING A HOME

Homes are generally the single largest financial purchases in a person's life. If you're purchasing a home or looking to purchase a home, personally held life insurance is great way to ensure that your home stays in your family or the proceeds can go to your estate. Often the banks offer mortgage protection insurance but personally held insurance is far superior to that of a creditor, it is less premium, and you name the beneficiary, at your creditor, they're the beneficiary.

YOU'RE GOING TO HAVE A BABY

If you're planning on having a child in the next year or so, or already have a child, now is a great time to buy life insurance. When we evaluate the amount of insurance a person needs, we take income replacement into consideration. This is based on how much you contribute and how much you wish to continue to contribute to the family if you're not there. Do you wish for you children to still go to the same school, you partner to be able to stay in the same house, will your children and partner still be able to do their extracurricular activities and so on.

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YOU WORK FOR YOURSELF

Life insurance can be incredibly beneficial if you're a small business owner, especially in Manitoba where our small business tax is low, and our personal tax rate is high. Insurance can be paid by the corporation and many tax strategies with life insurance can be taken advantage of. If you set up a "Key Person" or "Buy/Sell Agreement" life insurance policy, your employees or key stakeholders will still get paid in your absence. Life insurance and the funds within the policy can also be used to secure loans as collateral to help business grow.

YOU'RE PLANNING TO GET MARRIED

If your soon-to-be spouse relies on your income to live the lifestyle you share, it's a good idea to get life insurance.

Whether they bring in their own paycheck or not, having a life insurance policy in place assures they can maintain a similar standard of living if you die prematurely.

YOU SUPPORT AGING PARENTS FINANCIALLY

The general rule is that if someone else relies on your income to live, then you probably need life insurance.

Most people think of protecting a spouse or children, but as time goes on and people live longer with no income, it will become more common that millennials will be acting as caregivers for a parent, in-law, or grandparent.

YOU HAVE DEBT

When deciding on a coverage amount for a life insurance policy, financial experts recommend including your total debt amounts to ensure whoever receives the money in the event of your death will have enough to pay off your outstanding balances in full. These include things such as student debt, mortgage, loans, line of credit, vehicles.

