

## 6 benefits of life insurance.



Most Americans will agree that getting life insurance is a good idea ... but only 54% actually have a life insurance policy. Of that 54%, 27% have a group policy – usually through their employers – which doesn't provide adequate coverage in most cases.

The good news: It's surprisingly affordable to provide your family members with the financial protection they need. And doing so provides a host of benefits, including some that many people aren't aware of.

1. **You can support your family.** Did you know that four in 10 households without life insurance would have difficulty paying for living expenses if the their primary household earners passed away? Having an adequate life insurance policy gives you and your loved ones peace of mind knowing your family has the financial means to pay for daily living expenses and future costs, like college tuition for your children.
2. **Your family can pay for final expenses.** Even if your children are independent adults, funeral and burial costs could be a financial hardship. The average funeral and burial costs \$7,640 in the United States.
3. **Life insurance benefits are tax-free.** Life insurance payouts are not considered income for tax purposes, so your family will get the money they need without a tax burden.
4. **You can protect your business partners.** If you are a business owner or co-owner, you can get a specific life insurance policy known as **key person insurance**. With this insurance, your business will be the beneficiary in the event of your death, giving the company the necessary funds to carry on without you. (Read more about the importance of life insurance for business owners in our blog, [Business owners: Here are 4 reasons to get life insurance.](#))
5. **You won't leave your family in debt.** Your estate will cover many of your outstanding debts so your surviving family members aren't burdened with them. But, there are exceptions. For

instance, if you have a joint credit card account with your spouse, he or she will be responsible for the balance after your death. Similarly, anyone who has cosigned a loan with you – like a home mortgage – will be responsible for paying the remaining balance.

6. **You can get help paying for the costs of a terminal or chronic illness.** You can add an **accelerated death benefit rider** to your life insurance policy, which would allow you to receive a portion of your policy's death benefits while you are still living. You can use this money to pay for expenses such as hospice care. Frankenmuth Insurance also offers a **chronic illness rider** on all whole life policies with face amounts more than \$100,000. This rider aids policyholders who, because of a chronic medical condition, are unable to perform at least two activities of daily living without substantial assistance.

Ready to get started? Use our Life Insurance Calculator to estimate how much life insurance you need, or talk to one of our local, independent agents today.