

Attention, twenty-somethings: Here's why you need life insurance now.



If you're a healthy young American in your 20s, buying life insurance may be the furthest thing from your mind. However, getting a life insurance policy now is actually a very smart financial move. Here are four reasons why you need life insurance.

1. Youth and good health = lower premiums. Establishing a policy now while you're in good health and continuing to pay your premiums as you age can make life insurance more affordable throughout your life. If, on the other hand, you wait to apply for a policy until you are older and possibly have developed a health condition, your premiums will be much more expensive.

2. It's the perfect time to invest in a whole life policy. Whole life is life insurance that is guaranteed to stay with you for your lifetime. In contrast to term life insurance, for which premiums must continue to be paid, a whole life policy can be fully funded over a period of ten or twenty years, after which you "own" it and no longer have to pay premiums. The policy also functions as an investment which has cash value. And because it is a financial asset, having a whole life policy can help when you apply for a mortgage or other loan.

Premiums for a whole life policy are higher than those for term life. But if you start young and pay it off, you'll have more years with no premium at all. For example, if you start buying whole life at age 25 and pay it off by

age 45, you could live thirty to forty years or more with no premiums, during which time the cash value will continue to rise.

3. You may have co-signed debt. Often, twenty-somethings don't have the established credit history to qualify for an auto loan or mortgage and need a co-signer (most often their parents). If you have a loan that someone else has co-signed for you, they are usually responsible for continuing those payments if you die. Naming your co-signer as a beneficiary on your life insurance policy can solve this dilemma.

4. You may have dependents. If you have young children or aging parents who depend on you financially, life insurance is a must. Though it's unpleasant to contemplate, tragic accidents and unexpected illnesses do happen to young people, leaving their families in a difficult financial situation without life insurance. And because the children of twenty-somethings are still very young, they'll be financially dependent on the surviving partner for many years to come. That makes life insurance even more important.

One of the cardinal rules of financial planning and investing is to start early. And life insurance is a part of any strong financial plan. Invest in life insurance now and give yourself peace of mind for a lifetime.

To learn more, talk to a local, independent agent about your life insurance needs. Additional education and resources are available at www.lifehappens.org.