



Things to Know About Life Insurance

We all recognize the importance of life insurance. After all, we want to make sure that our loved ones are taken care of when we die. But before you run out and purchase a policy, do some research ahead of time. That way, you'll be sure to get the best possible coverage at the right price. Here are some helpful tips to get you started:

1. Never buy more coverage than you need
2. The healthier you are, the better the rates
3. Buy sooner rather than later
4. Realize the importance of periodically reviewing your coverage
5. You may be paying more for monthly premium payments
6. Don't rely solely on the life insurance offered by your employer
7. Tell the whole truth and nothing but the truth
8. Buying more is sometimes cheaper

Never buy more coverage than you need

The key to purchasing the right amount of life insurance is to have just enough coverage to meet your needs. If you have more life insurance than you need, you'll be paying unnecessarily for higher premiums. On the other hand, it's important not to have too little coverage, resulting in you being underinsured.

The healthier you are, the better the rates

It's true – healthy people get better rates on life insurance. You will be asked to pay a higher rate for anything that shortens your life expectancy (e.g., if you smoke, take medications regularly, are overweight, have a bad driving record).

Buy sooner rather than later

If you've been putting off purchasing [life insurance](#) because you don't want to pay the premiums, you may be doing yourself a disservice in the long run. The younger you are when you purchase life insurance, the lower your premiums will be.

Realize the importance of periodically reviewing your coverage

Any life change signals the need for a review of your overall financial plan. When it comes to life insurance coverage, you'll want to make sure that this major life event (e.g., birth of a child, children are grown) won't leave you underinsured or overinsured.

You may be paying more for monthly premium payments

You may not realize it, but you may be paying more for your life insurance if you pay your premium in monthly installments. Many insurance companies charge extra fees if you make monthly premium payments instead of paying the annual premium.

Don't rely solely on the life insurance offered by your employer

Many employers offer their employees some sort of group life insurance. But this amount of coverage is usually not enough to adequately meet your life insurance needs. In addition, group life insurance policies are not portable, meaning that if you leave your job, you can't take your life insurance coverage with you.

Tell the whole truth and nothing but the truth

If you're thinking about lying on your insurance application, think again. If your insurance company finds out that you lied about a health-related condition or your lifestyle (e.g., smoking habit), they may be able to terminate your coverage.

Buying more is sometimes cheaper

[Life insurance](#) usually costs less per thousand dollars once you get into higher coverage amounts (e.g., \$250,000). If the numbers work out, you may be able to pay a lower premium while increasing your coverage.

Please note that this description/explanation is intended only as a guideline.

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