

ROA Supports Life Insurance Awareness

Washington, DC – A recent study shows that almost one third of adults have no life insurance protection. Among those that already have some, 40 percent believe they don't have enough. Even one third of more affluent households (earn \$100,000 or more in household income) say they need more life insurance. In addition, 25 percent of Americans feel they do not have a plan in place to provide a decent standard of living for their family if they died tomorrow.*

“We want our members to know that these alarming statistics don't have to continue among our membership. We want to make sure our members are aware of the need, are prepared and know that we provide several affordable solutions for them.” says James G. Rebholz, Col. USAFR (Ret.), Chairman, ROA National Insurance Committee.

ROA has developed the following information to help educate members on what life insurance is, why they would need it (or more of it), how much is enough and how ROA's life insurance plans can help.

5 REASONS WHY MANY AMERICANS DON'T HAVE ANY OR ENOUGH LIFE INSURANCE IN PLACE*:

1. 75% think they can't afford it
2. 50% don't know how much to buy
3. 43% think they'll make the wrong decision
4. 50% just procrastinate
5. 20% find it too unpleasant to think about

WHY LIFE INSURANCE?

Life Insurance is important for many reasons. It is a financial tool that helps protect against the risk that a person will die too soon and be unable to fulfill obligations to loved ones or to provide ongoing support for organizations or charities important to you. Life insurance can be used for the following:

- Help replace lost income and allow your loved ones to continue with the lifestyle to which they've grown accustomed. For example, life insurance can be used to cover living expenses, mortgage payments, and other daily expenses.
- Give your loved ones choices for the future, such as help pay for children's education or provide the surviving spouse with the financial incentive to continue his or her education.
- Help take care of final expenses, such as funeral and burial costs, as well as any medical expenses not covered by health insurance.
- Provide a legacy gift to support missions or causes of organizations that play an important role in your life experiences

The bottom line: life insurance helps to make sure that your loved ones will be provided for financially if you're not there anymore to do it yourself.

WHO NEEDS IT AND WHEN?

Most Americans need life insurance. And most that have coverage need more of it. If anyone or anything depends on you financially—such as a spouse, partner, children, elderly parent or business, your need for life insurance increases.

There are some life stages or life events that may trigger the need for life insurance (or the need to purchase more) as well as specific types of life insurance available to meet those needs:

WHEN YOU GET MARRIED: Usually there are several types of debt to cover (credit card, student and auto loans, etc.), and you may take ownership of more things together. Life insurance is needed on both of you to make sure that if anything happens to either one of you, the surviving spouse can pay off any debt and funeral costs.

Many Americans turn to term life insurance to meet this need because it's affordable and easily obtainable. ROA's Group Term Life Insurance Plan and Joint Group Term Life Insurance Plan (covers both spouses under one policy and pays the benefit amount on whomever dies first) offer ideal plans for recently married members.

WHEN YOU BUY A HOUSE: Many people can make their mortgage payments when they are part of a two-income household, but many would struggle if something were to happen to their spouse or partner and they had to survive on one income alone. Life insurance can help the survivor continue to pay the mortgage and other household expenses. ROA's Group Term Life Insurance can help provide members with the financial protection to meet this need.

WHEN YOU HAVE CHILDREN: From nursery rooms to toys to college education, having children is one of the most expensive times for most families. Life insurance helps the surviving spouse take care of any children, in addition to helping pay mortgage and other expenses. It's important that both spouses have adequate life insurance—even stay-at-home parents because they provide services that would be expensive to replace such as childcare, transportation, and household chores. As a family grows, it's important to increase the amount of life insurance to cover the extra expenses associated with another child.

With children now involved in your life, you'll need life insurance protection that will last for the long haul. Group Level Term Life Insurance is the most popular type of coverage these days because it provides long term coverage for a level premium (that is, the rate won't increase with age). ROA offers Level Term Life Insurance Plans for 10 and 20 years to fit members' needs.

WHEN YOU RETIRE FROM MILITARY SERVICE AND OBTAIN A CIVILIAN

JOB: If you decide to pursue a second career or change jobs thereafter, your life insurance needs will usually change based on your income. If you earn more, you'll need more life insurance to replace lost income and vice versa. At this stage, it's important to know that once you leave active duty, you'll have the option to apply for Veteran's Group Life Insurance (VGLI), which may be more expensive than other plans now available to you. ROA's Group Term Life Insurance Plan and Group Level Term Life Insurance Plans may be a more affordable option for you at this stage of your life.

WHEN YOU OWN A BUSINESS: Besides taking care of loved ones, life insurance can also help protect your business. Life insurance can help the surviving business owners or employees keep the business running without you. The funds can be used to hire a replacement or work out alternative arrangements to buy or sell the business. In this situation, ROA's Group Term Life Insurance Plan and Group Level Term Life Insurance Plans may be an option, and you can name business partners as your beneficiaries.

WHEN YOU RETIRE: Even if the mortgage is paid off and the children are on their own, you may still need life insurance. That's because the average lifespan is now approaching age 80, which means if you died unexpectedly, your spouse could live another 15-20 years longer. Having adequate life insurance could ensure that the surviving spouse wouldn't have to make any drastic changes to his or her lifestyle and wouldn't have to use retirement savings to pay funeral costs and estate taxes.

At this stage of life, many Americans want to lock in a specific term and rate so they have the protection they need at a budget they can afford in their retirement each year. ROA's 10- or 20-year Group Level Term Life Plan can help members at this stage of their lives.

WHEN YOU'RE SINGLE, DIVORCED OR WIDOWED: Most single people don't have much need for life insurance; however, if an elderly parent depends on you or if you're the sole provider for dependent children, you may actually need more life insurance than anyone else. ROA's Group Term Life and Group Level Term Life Insurance Plans can offer the ideal solution—whether you're looking for something to lock in a year at a time or for longer periods.

HOW MUCH DO YOU NEED?

Each person's goals and situation are different so there are no hard and fast rules to determine how much is exactly enough for you.

However, some financial experts say the appropriate amount of insurance protection could equal up to an individual's annual salary times the number of years before the youngest child is out of college, depending on other available income and resources. When you consider all the things that life insurance will need to fund, you may realize your need could be anywhere from 10-20 times your gross annual income.

The average American household only has enough life insurance to replace their income for 3.6 years, which is about a \$200,000 shortfall.*

WHAT KIND OF LIFE INSURANCE SHOULD YOU BUY?

Again, the answer to this question isn't clear-cut because every family's situation is different. However, term life insurance is one of the most basic types of insurance one can buy in today's insurance market.

Term life coverage lasts for a specified period of time (the "term")—any where from one year up to 20 years. During the "term," premiums generally stay the same and are determined by your age when you buy the policy. Policies with longer terms are usually referred to as level term because the premium stays the same for the entire term, which is usually a set number of years.

In addition, a joint term life plan is popular among married couples because it provides "joint" coverage under one policy. It just pays one life benefit on whomever dies first. This helps ensure that the surviving spouse is financially taken care of in the event of the other spouse's unexpected death.

ROA offers a group term life plan, joint group term life plan, senior group term life plan and group level term life plan. For more information, please review www.roainsure.com and view the various life plans ROA offers.

WHY CONSIDER ROA'S LIFE INSURANCE PLANS?

ROA has worked with Marsh Affinity Group Services, a service of Seabury & Smith, Inc. to administer its endorsed insurance plans. ROA members benefit from this partnership through access to a wide variety of excellent life insurance products. ROA also has the leverage of its entire 75,000-member organization to negotiate competitive group rates.

Each of the following life plans has been negotiated exclusively on behalf of ROA members and their families:

- **GROUP TERM LIFE INSURANCE PLAN**: Provides a term coverage that is renewable each year. Rates are based on 5-year age bands. Members can apply for up to \$500,000 in coverage.
- **JOINT GROUP TERM LIFE INSURANCE PLAN**: Offers coverage for both member and spouse in one plan and pays the benefit amount on whoever dies first. Members and spouses can apply for up to \$350,000 of coverage in a single plan for one affordable premium.
- **GROUP LEVEL TERM LIFE INSURANCE PLANS**: Provides 10 and 20-year term plans that allow members to lock in the rate based on the age when they apply. Coverage is available from \$100,000.00 up to \$500,000.00.
- **SENIOR GROUP TERM LIFE INSURANCE PLAN**: Available for members 50-74 (member spouses are eligible from ages 45-74), you can apply for coverage amounts from \$10,000 to \$50,000.

FOR MORE INFORMATION AND AN APPLICATION FOR EACH PLAN, MEMBERS CAN CALL 1-800-247-7988.

www.roainsure.com

ROA's Life Insurance Plans are administered by Marsh Affinity Group Services, a service of Seabury & Smith, Inc. and underwritten by ReliaStar Life Insurance Company. Both companies support and are participating in Life Insurance Awareness Month too.

*Source for statistical information: LIMRA International, Life Insurance Ownership Study, Facts About Life, 2005. Viewed at www.limra.com/pressroom/pressmaterials/factsaboutlife2005complete.pdf.