

Concerned about your expenses with the current economy?

When you're short on cash, it doesn't mean you should end your life insurance coverage.

Current news headlines warning of a “recessed” economy and touting housing market foreclosures, increased bankruptcy, credit card debt, stock market woes, and rising oil and gas prices have many individuals worried about their finances.

During these turbulent times, you may think about eliminating what you consider “unnecessary” expenses (such as those things you aren't using on a daily basis or those things you could live without). These things may include health club memberships, lunches and dinners out, cleaning services, etc. And you may be thinking your life insurance coverage could be one of them.

Unfortunately, making any misinformed decisions regarding your life insurance could actually hurt your family and their future financial security.

Here are three reasons to consider the impact of your decision:

#1. Remember why you have life insurance in the first place.

People purchase life insurance coverage to make sure their loved ones are taken care of if something happens. So what if you end your life insurance coverage tomorrow and then something happens?

Not only will your loved ones still be dealing with the challenges of the current economy but they'll be without your help and income.

#2. You may not qualify for it again.

If you are thinking of ending your coverage with the reasoning, “I'll just get it again later when I can afford it,” you may want to reconsider.

Your age and health are important factors when insurance companies consider your risk, cost and acceptance for coverage. And when you first purchased your life insurance policy, you may have been younger and healthier.

In the future, if you decide to purchase it again, you may have health restrictions that may limit coverage amounts or competitive rates for you, increase your cost, or worse, prohibit you from qualifying for it.

Important Note from IEEE

After reviewing this article, if you would like more information on why you may need it, how much you should consider to help protect your family and more, please visit our interactive resource: LifeSmart eMagazine at www.ieeelifeinsuranceguide.com.



Here you'll have instant access to life insurance calculators, checklists and other tools to help you determine your needs.

#3. Cashing in could be costly too.

If you are considering selling your life insurance to a third party, you should be aware that some life settlements have high transaction costs and certain consequences—such as limiting your ability to purchase life insurance in the future, being taxed at a higher rate, and potential loss of government benefits like Medicaid.

Plus, whoever buys your policy will have access to your personal information and health status since they will essentially take over your policy and pay the premiums with the agreement they'll receive your life insurance proceeds when you die.

Now may be the time to reevaluate your life insurance needs

Rather than consider eliminating your life insurance, you may wish to spend some time now to reevaluate your needs.

According to a recent study, most families are not financially prepared for the premature death of their spouse. More than half of married parents believe their current life insurance coverage is inadequate.¹

In fact, the typical married couple would need to double its current coverage to meet the expert recommendation of having enough life insurance to replace their income for seven to 10 years.¹



If you've had any changes in your lifestyle since you first purchased your coverage, then you should probably consider if you have enough. Lifestyle changes may have included:

- If you married
- Had children
- Received a pay increase or job promotion
- Bought a new home, second home or larger home
- Started to care for an elderly parent

Conversely, if you're older, the mortgage is paid off and your children are grown, you may not need as much as you have anymore.

Right now may also be a good time to shop around to make sure you're getting the best rates and protection possible.

In general, life insurance rates have been dropping due to better health and longer life spans these days. So if you purchased your policy some time ago, you may actually find a less expensive policy today.

Do you have "enough" life insurance in place to help cover these expenses?

- ✓ Daily living expenses, such as rent, food, gas and utilities.
- ✓ Mortgage and property taxes.
- ✓ College tuition and/or childcare expenses for children.
- ✓ Outstanding debts, such as credit cards and car loans.
- ✓ Any final medical, burial or funeral expenses.

How Your IEEE Membership Can Help YOU

Your membership in IEEE helps you with your life insurance needs in two ways:

1. IEEE, through its Insurance Plans Administrator, has developed an educational resource to help you learn more about your life insurance needs. The IEEE LifeSmart eMagazine offers handy, easy-to-use online tools, including calculators, checklists and videos to help you. To access this new resource, visit www.ieeelifeinsuranceguide.com.
2. IEEE sponsors three group term life insurance plans for members that offer affordable group-discounted rates (rates that are generally lower than those you could find on your own). Plans include:
 - ✓ **Term Life Insurance** offering coverage up to \$1 million with rates that increase as you age.
 - ✓ **10-Year Level Term Life Insurance** offering coverage up to \$2 million, and guarantees you the ability to lock in your rate for 10 years.
 - ✓ **20-Year Level Term Life Insurance**—similar to the 10-year plan except it allows you to lock in your rate for a longer period (20 years).

For more information** or to apply for any of these plans, you can access it through LifeSmart eMagazine at www.ieeelifeinsuranceguide.com, directly on the product pages at www.ieeeinsurance.com or you can call the Administrator toll-free **1-800-493-IEEE (4333)**.

¹LIMRA International, life insurance consumer studies, American Families At Risk, 2007.

*Plans underwritten by New York Life Insurance Company, 51 Madison Ave. New York, NY 10010 on Policy Form GMR. Plans may not be available in all states. Complete terms and conditions are detailed in the group policy issued to the group policyholder. Each insured will be provided with a Certificate of Insurance that summarizes the policy provisions affecting his/her coverage.

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