

# SPEAKING YOUR LANGUAGE

## THE IMPORTANCE OF LIFE INSURANCE



**Life insurance may not seem too important to you these days, but it should be. You probably insure your car, your home, and maybe your phone. But what about your life? And did you know when you're young, you can lock in low rates on a policy and save thousands of dollars over your lifetime?**

We went to Erin Lowry, author of the *Broke Millennial* series and a trusted financial translator, to help us dispel misconceptions about life insurance that many Millennials and Gen-Zers may have. Turns out, Erin was also able to describe several compelling ways that life insurance can benefit younger generations now and for years to come.



**Erin Lowry**

Author, *Broke Millennial Series*, Financial Translator



### MISCONCEPTION: IT'S TOO EXPENSIVE

There are significant cost benefits for getting life insurance early. Not only can you save tons over the course of your life and, depending on the policy, have more time to build potential tax-deferred cash value, but you also lock in your insurability when you are young and healthy.

**“I think many Millennials postpone life insurance because they believe it’s more expensive than it truly is. They need to know that waiting will only result in higher premiums.”**

**38% OF SURVEYED MILLENNIALS**

believe a 20-year, **\$250,000** term policy for a healthy 30-year-old costs **\$1,000** or more per year. In reality, such a policy costs under **\$200** per year.<sup>1</sup>

### MISCONCEPTION: MY LIFE INSURANCE PROVIDED BY MY EMPLOYER IS GOOD ENOUGH

**“When I ask friends if they’re protected, a shocking amount tell me they have life insurance through work (and believe that’s sufficient). I ask them what happens when they leave their job, and they rarely have an answer.”**

- With age and health on your side, you may get more coverage at better rates with an individual policy.
- A supplemental policy through your employer reflects the general risk of the group population and often benefits those who are otherwise uninsurable.
- An individual policy won't expire when you change jobs. On average, Millennials stay at their job for 2.75 years.<sup>2</sup>



## MISCONCEPTION: I DON'T NEED IT BECAUSE I DON'T HAVE A SPOUSE AND/OR CHILDREN

- Purchasing a life insurance policy isn't about you, it's about whom you want to protect. When you pass away, your life insurance policy pays to the beneficiaries you choose. Who depends on you? Think broadly.
- Life insurance might feel strange at this moment but look ahead. The future is full of opportunities and earnings potential. You could be a millionaire in 30 years ... or sooner.

Regarding student loans, many private lenders still don't discharge debt upon your passing.

“If your mom, dad, grandparent, or whoever co-signed your loan and you pass away, that debt falls on them. It feels good knowing you have at least enough coverage to offset that debt.”

## MISCONCEPTION: PEOPLE ARE LIVING LONGER SO WHY BUY LIFE INSURANCE?

- Life insurance can provide more than just a death benefit.
- Many permanent protection products, such as index universal life insurance, also offer:
  - Protection against inflation and market volatility, tax diversification, and a way to help address rising healthcare costs
  - The chance to accumulate additional funds and give yourself flexible access to cash value as needs arise
  - Added coverage for unexpected critical or chronic health conditions for added flexibility
  - A way to customize coverage to fit evolving needs and convert term coverage to permanent protection as your situation changes

## MISCONCEPTION: I DON'T NEED TO WORK WITH AN AGENT

The process of setting up your life insurance policy may be simpler than you think. An agent can help you develop a customized plan to make sure your policy evolves to meet your changing needs. The time you'll save working with an agent will free you up to get back to doing what you do best — living your best life.



“For my second policy, I called up the insurance company and spoke directly to an agent. It was great to get all my questions answered on the spot — it gave me confidence that I was choosing the right policy.”

## Ready to Learn More?

Contact:

Agent Name:

Phone Number:

Email:

<sup>1</sup>“2023 LIMRA Barometer Study,” LIMRA, 2023

<sup>2</sup>“Solving the Mystery of Millennial and Gen Z Job Hoppers,” by Tejas Vemparala, Business News Daily, Feb. 21, 2023

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