

# 11 REASONS YOU NEED LIFE INSURANCE




Written by:  
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# Who Is Rubbie Groves-Clay?


Rubbie Groves-Clay is a native St. Louisan, Broker-Owner of Clay Realty Group LC, and owner of Series Of Gifts LLC, in the State of Missouri. She has 27+ years of experience in Real Estate, 29+ years in Property Management, and is a Licensed Insurance Broker (Life, Health, Property & Casualty). Rubbie also has an extensive background in Accounting and Marketing. Clay Realty Group is one of a few minority-owned businesses in Missouri that is WBE/MBE, HubZone certified and contracted with Housing and Urban Development. Rubbie is a mother of three children, David, Ronaldo, and Stephanie, and a grandmother of Sophia, Brandon Jr., and of course her beloved granddog, King.

When Rubbie isn't speaking, teaching or selling homes, she enjoys watching classic, current, foreign, and domestic movies. She also loves spending time with her beautiful grandchildren, family members and friends. Her hobbies are learning new languages, watching movies, improv acting, and making funny videos.

She loves to write about life experiences in the form of fictional stories. I say stories because, "Get A Hold of Your Darn Finances" is not her first literary work. It's just the first to be published. Rubbie's dream is to write more books, convert them into plays and movies, and have them distributed all over the world to inspire and impact millions.

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# Why Is Life Insurance Important?

In the journey of life, we often encounter various uncertainties and challenges that remind us of the importance of planning for the future. One aspect that is frequently overlooked is life insurance, a crucial safeguard that provides financial security for your loved ones in the event of your untimely passing. Unfortunately, many individuals harbor the misconception that life insurance is a luxury they cannot afford, inadvertently leaving their families vulnerable to financial hardship.

It's a common belief that life insurance premiums are prohibitively expensive, deterring people from exploring this vital protective measure. However, the reality is quite different. Life insurance is available in a variety of affordable options tailored to meet diverse financial situations. By dispelling the myth that it's beyond reach, individuals can unlock the potential to secure their family's financial well-being.

Consider life insurance as an investment in your family's future, offering peace of mind and assurance during challenging times. Without it, the financial repercussions for your loved ones can be severe, potentially leading to struggles with mortgage payments, education expenses, and daily living costs. Life insurance acts as a safety net, providing a financial cushion that can help your family maintain their quality of life even when you are no longer there to support them.

To bridge the gap between the perceived cost and the actual affordability of life insurance, it's essential to understand the various types available. Term life insurance, for instance, offers coverage for a specific period, often with lower premiums compared to other options. This makes it an accessible choice for many individuals, especially those starting their families or early in their careers.

Moreover, seeking guidance from insurance professionals can be instrumental in finding a policy that aligns with your budget and provides comprehensive coverage. They can help tailor a plan that considers your unique circumstances, ensuring that you have the protection you need without breaking the bank.





## Reasons to Buy Life Insurance

Life's uncertainties are inevitable, and though we can't predict every twist and turn, we can safeguard ourselves and our loved ones. An essential avenue for this protection is through life insurance. This blog delves into why life insurance is a cornerstone of effective financial planning and security.

### 1. Financial Security for your Loved Ones

Life insurance provides a financial safety net for your family in the event of your untimely demise. It ensures that your loved ones are not burdened with financial difficulties, such as mortgage payments, education expenses, or daily living cost. The cost of a funeral and burial can easily run into the tens of thousands of dollars, do you want your wife, parents, or children to suffer financially in addition to emotionally at my death.

### 2. To Cover Children's Expenses

Like most parents, we want to be sure my kids are well taken care of and can afford a quality college education. For this reason, additional coverage is essential while my kids are still at home.



### 3. To Replace the Spouse's Income

If you are the primary breadwinner in your family, life insurance can replace your income, helping your family maintain their standard of living even after you're gone. Your mental state will be at its most fragile state. You will need help to complete like: to hire help for domestic tasks we'd shared like cleaning the house, laundry, cooking, taking the kids to school, helping with schoolwork, and doctor's visits.

### 4. Funeral, Final Expenses and Paying Off Debts

Funerals can be expensive, and it's important to consider the financial implications for your family. Life insurance can cover these costs, relieving your loved ones of an additional financial burden during a difficult time. In addition to providing income to cover everyday living expenses, my family would need insurance to cover debts like the mortgage so they wouldn't have to sell the house to stay solvent. Life insurance serves as a comprehensive solution, ensuring financial stability and security in various aspects of life.

### 5. To Buy a Business Partner's Shares

In our business partnership, we've each secured life insurance on the other to ensure the smooth transition of ownership in the event of either partner's death. This strategic move safeguards against the need to sell the entire company by providing funds to purchase the deceased partner's share. It exemplifies the vital role life insurance plays in sustaining business continuity. Facilitating buy-sell agreement and address key person insurance needs.



## 6. To Pay Off Estate Taxes

Estate taxes can be steep, so having insurance in place to pay them is essential to avoid jeopardizing assets or funds built for retirement. Use of insurance for this purpose is most common in large estates, and uses permanent (rather than term) insurance to ensure that coverage remains until the end of life.

## 7. Peace of Mind:

Knowing that your loved ones will be financially secure in your absence can provide you with peace of mind. Life insurance offers a sense of reassurance and allows you to focus on living your life to the fullest.



## 8. Estate Planning:

Life insurance can play a key role in estate planning, helping to preserve and transfer wealth to the next generation with minimal tax implications.

## 9. Supplementing Retirement Savings:

Certain life insurance policies, such as permanent or whole life insurance, can serve as a source of supplemental income during retirement, providing added financial security.





## **10. Health Coverage Gaps:**

Life insurance can help cover health-related expenses that may not be fully addressed by health insurance, ensuring that your family has the means to manage medical bills.

## **11. Locking in Lower Premiums:**

Securing life insurance at a younger age often results in lower premiums. By getting coverage early, you can lock in favorable rates and ensure cost-effective financial protection for the long term.



## How Much Coverage Should I Buy?

Determining the appropriate amount of life insurance coverage is a crucial aspect of financial planning and protection for loved ones. Several factors come into play when deciding how much life insurance a person should purchase. Firstly, it's essential to assess the individual's financial responsibilities, including outstanding debts, mortgage payments, and education expenses. A comprehensive approach involves accounting for both short-term needs, such as immediate funeral expenses and outstanding debts, and long-term needs like providing for a spouse's retirement or a child's education.

Moreover, one should consider the income replacement factor. Life insurance can be a critical tool in ensuring that surviving family members can maintain their standard of living after the policyholder's passing. Experts often suggest a coverage amount that is equivalent to 5 to 10 times the individual's annual income as a starting point. However, this guideline may vary based on the specific circumstances and financial goals of the policyholder.

Additionally, personal circumstances play a significant role in determining the appropriate coverage. Factors such as the number of dependents, their ages, and their financial needs should be considered. For instance, a policyholder with young children may require more coverage to account for future educational expenses, while someone with grown children and fewer financial obligations may need less coverage. Consulting with a knowledgeable insurance professional can provide valuable insights and assistance in tailoring the coverage amount to the individual's unique situation, ensuring that the life insurance policy adequately meets both immediate and long-term financial needs.







## Whole Life vs. Term?

Whole Life or Term Life Insurance... “That’s The Question?” This ongoing debate of whole life insurance as opposed to term life insurance advocates on both sides. This argument weighs factors such as cost, coverage duration, and the presence of investment components. The debate remains a pivotal consideration for individuals seeking insurance coverage, as the choice between whole life and term life insurance significantly impacts long-term financial planning and the level of protection provided to beneficiaries.

Whole life insurance stands out as a distinctive and enduring financial tool, offering a combination of lifelong protection and an investment component. Unlike term life insurance, which provides coverage for a specified period, whole life insurance is designed to safeguard the policyholder throughout their entire life. This permanence makes it an attractive option for those seeking a consistent and reliable source of financial security for themselves and their loved ones. The premiums for whole life insurance tend to be higher compared to term policies with equivalent face values, primarily due to the investment element embedded in the coverage. However, this investment aspect allows a portion of the premiums to be allocated to a cash value account, which can potentially grow over time. The cash value component adds a unique dimension to whole life insurance, serving as a savings vehicle that policyholders can access or borrow against during their lifetime.

Furthermore, whole life insurance provides peace of mind by locking in the premium rate at the time of purchase, ensuring that the cost remains stable as the policyholder ages. This feature is particularly advantageous, as it shields individuals from the uncertainties of increasing premiums associated with term life insurance. The policyholder not only gains lifelong protection but also has the opportunity to accumulate cash value that can be utilized for various financial needs. While whole life insurance may not be suitable for everyone, its comprehensive and enduring nature makes it a valuable consideration for those looking to integrate lifelong financial security with an investment component.

## Term Life Insurance

Term life insurance, a pragmatic and budget-conscious option, provides coverage for a predetermined period, typically ranging from 1 to 30 years. During this term, policyholders enjoy the peace of mind that comes with knowing their loved ones are financially protected in the event of their untimely demise. One of the key distinguishing features of term life insurance is its simplicity—there are no excess premiums allocated to investments, making it an accessible choice for individuals seeking straightforward protection without the added complexity of an investment component. The affordability of term life insurance is reflected in its lower annual premiums compared to whole life insurance, making it an attractive option for those with temporary financial responsibilities or specific short-term protection needs.

However, it's important to note that the budget-friendly nature of term life insurance comes with a trade-off. Once the term expires, policyholders may face a significant increase in premiums if they choose to renew their coverage. This dynamic nature prompts individuals to carefully assess their long-term financial objectives and consider whether the temporary protection offered by term life insurance aligns with their evolving needs over time. Consulting with an experienced insurance professional becomes crucial in navigating the nuances of term life insurance and making informed decisions that suit individual circumstances and future financial goals.





## Questions To Ask Yourself

- 1. What Are My Financial Responsibilities?** Consider your financial obligations, such as mortgage payments, outstanding debts, and education expenses. Assessing your financial responsibilities will help determine the appropriate coverage amount.
- 2. What Is My Current Financial Situation?** Evaluate your income, savings, and existing insurance coverage. Understanding your financial standing will guide you in choosing a life insurance policy that aligns with your budget.  
**How Much Coverage Do I Need?** Calculate the amount of coverage required to support your dependents and cover outstanding debts. Factor in future financial needs, such as college tuition or mortgage payments, to ensure comprehensive protection.
- 3. What Type of Life Insurance Is Right for Me?** Explore the different types of life insurance, including term life and whole life. Consider your financial goals and preferences to determine which type aligns best with your needs.
- 4. What Is My Health Condition?** Assess your current health status and any pre-existing conditions. Your health can impact the cost of premiums, so it's crucial to understand how it might influence your life insurance options.
- 5.**



- 6. What Are the Policy Terms and Conditions?** Review the terms, conditions, and exclusions of potential policies. Understand any limitations, waiting periods, or conditions that may affect the coverage, ensuring that you make an informed decision.
- 7. How Long Do I Need Coverage?** Determine the duration for which you need coverage. If your financial responsibilities are temporary, a term life insurance policy might be suitable. For lifelong protection and potential cash value accumulation, whole life insurance could be considered.
- 8. Can I Customize My Policy?** Inquire about customization options. Some policies allow for riders or additional coverage tailored to specific needs, providing flexibility to adapt your policy as your circumstances change.
- 9. How Stable Is the Insurance Company?** Research the financial stability and reputation of the insurance company. Consider their ratings from independent agencies and customer reviews to ensure you choose a reliable and trustworthy provider.
- 10. What Happens If I Miss a Payment or Want to Cancel the Policy?** Understand the consequences of missed payments and the process for canceling the policy, if necessary. Familiarize yourself with the grace period and any fees associated with policy adjustments to avoid unexpected complications.

# And One More Thing...

## REMEMBER!

Life insurance is not a luxury but a responsible choice that empowers you to take care of your loved ones, even in your absence. Don't let the misconception of unaffordability prevent you from securing a financial safety net for your family. By exploring the accessible options and understanding the potential consequences of being uninsured, you can make informed decisions that will safeguard your family's future. Life insurance is not merely a financial tool; it is a gesture of love and responsibility that transcends the test of time.

*Happy Estate Planning*  
*Rubbie*

