

W.H. BLACK & COMPANY

— LIFE INSURANCE SOLUTIONS —

Why Buy Life Insurance? The Top 15 Reasons You Might Need It.

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Life insurance is not for those who die, it is for those who live! With that in mind, let's look at reasons you would purchase life insurance:

- 1. You die suddenly:** An accident, illness, natural causes. Any of these and more can happen unexpectedly and at any time. Life insurance proceeds guarantee your loved ones have the ability to pay expenses after you are gone. What expenses? The mortgage, the typical bills (utilities, auto, food, etc.), even future college costs. And the life insurance proceeds are income tax free to your beneficiary!
- 2. Peace of mind:** While money will not replace you, the life insurance proceeds can and will give your loved ones protection from financial uncertainty.
- 3. Charitable gifts:** Have a favorite charity you wish to benefit? No easier or more cost effective way to do it than with life insurance. Leave a substantial gift to your favorite charity with life insurance.
- 4. The younger you are, the less expensive:** My father always said, "You're not getting any younger!" We get older every year and the older we are, the more expensive it becomes to purchase life insurance. Purchase insurance now and the premium is based on today's age and health classification. Do it the right way and you can lock in today's status for life. Don't wait to purchase when you are older with a family and have all the costs associated with a family depending on you.

5. **Life insurance is remarkably affordable:** Pay a few hundred dollars in premiums to get tens of thousands of dollars in survivor's benefits.
6. **Life insurance protects your legacy:** Have a large estate? Your heirs may be subject to inheritance taxes. Without life insurance, heirs may be forced to sell your assets to raise the money needed to pay the inheritance taxes. Life insurance can be used to pay those taxes, leaving the assets to pass to heirs unhindered and without delay. The life insurance proceeds are paid income tax free to surviving heirs who, in turn, use the proceeds to pay the taxes due.
7. **Life insurance creates an estate:** Have no assets? Life insurance creates an instant estate for your spouse, children, charity, etc. Even if you have no current assets to leave heirs, the life insurance policy's proceeds will create an instant estate and instant assets for survivors.
8. **Life insurance proceeds are an income tax free inheritance:** The proceeds of life insurance, under Internal Revenue Code Section 101 (IRC 101), pass income tax free to the beneficiaries.
9. **Life insurance proceeds are outside the reach of judgment creditors:** In today's economy many have debts. Your creditors cannot take life insurance proceeds from heirs.
10. **Life insurance will pay for funeral costs:** A speaker at a hospice function once said, "one out of one of us is going to pass away," meaning all of us are mortal. Life insurance will pay to bury us and pay for all of the other costs associated with the funeral.

11. You may not qualify for it later: We've all had friends we thought were healthy and then one day they had a serious health issue. Many times that health issue causes them to become uninsurable; they cannot purchase life insurance at any price. However, those policies already in place, if any, remain as-is. In other words, purchase life insurance now before something happens and it is not possible to purchase. You are not "superman" or "superwoman"!

12. Your survivors could become disabled and unable to work: The only asset they have to survive on may be the life insurance policy proceeds you left them!

13. Special needs children or heirs: What happens to special needs children once you are gone? Life insurance can provide a source of income for them to live in comfort and security.

14. Business reasons: Life insurance is used in many business applications. Buy & Sell Agreements, Key Man insurance, Pre-retirement survivor's benefits provided by employer-sponsored pension plans, Deferred Compensation programs. The list goes on and on.

15. Supplement employer provided life insurance protection: Many have life insurance through their employer. However, it is frequently inadequate and does not provide enough for your particular needs. Purchasing additional insurance will fill the gap.