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RAYMOND JAMES®

Why I Don't Want to Buy Life Insurance

People who do act on their life insurance needs tend to focus on the positive aspects: the idea of meeting their responsibilities to provide for, and care for, their loved ones.



If you're like most people, it's not that you don't appreciate the value of life insurance. In fact, many people believe they need more coverage. You probably wouldn't mind owning additional life insurance. It's just that you don't want to buy it.

Thinking about buying life insurance, talking about buying life insurance, discussing the reasons for buying life insurance--all of this makes many people feel uncomfortable. Here are just some of the reasons why you may be putting off buying the life insurance you know you need.

I don't have enough time

You'll get around to buying life insurance, but not today. With all the things you've got to do, buying life insurance can come off as a low priority--just one more thing you ought to do. Plus, the whole idea of discussing life insurance isn't a whole lot of fun. Who wouldn't rather take the dogs for a walk on the beach, attend a child's softball game, or spend those precious few hours of free time in the evening visiting with friends?

Nonetheless, buying life insurance is really an important task that should be addressed. Life insurance can help ensure that your family will have enough money to meet their financial obligations in the event of your death.

The subject is boring and morbid

If you really don't like to think about death, you're not alone. Death is an unpleasant subject, and life insurance raises issues of our own mortality. Some people say that the very thought of starting the life insurance buying process makes them feel stressed out. There's no great appeal to contemplating our own mortality. It's a subject we'd rather ignore than address. The result can be inertia or denial.

It doesn't have to be that way. People who do act on their life insurance needs tend to focus on the positive aspects: the idea of meeting their responsibilities to provide for, and care for, their loved ones. They think of it as contingency planning, protecting their families against the uncertainties of life. They also recognize that life insurance is really about life and love, about helping to ensure a positive quality of life for their spouse and children if they die prematurely.

I don't know where to start

If you don't have a clue about which type of policy is right for you, or how much life insurance you need, join the club. Few of us truly understand life insurance: why we need it, what type of policy is best, how much we need, when and how benefits are paid, how benefits may be taxed, and more. That's okay. It's not your job to know everything about life insurance. That's the job of an insurance professional.

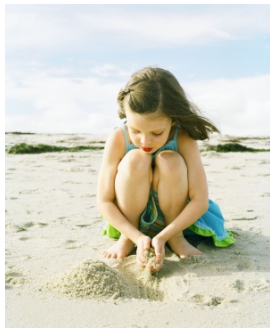
Thinking you need to have all of the answers about which type of life insurance is best for you is sort of like needing surgery and thinking you need to know which type of scalpel to use. That's the surgeon's job. In the same respect, the right insurance professional can guide you through the process of selecting the policy that best suits your needs, budget, and objectives, and can answer your questions.

Life insurance isn't a high priority compared with the other expenses I have

For many underinsured people, it's not so much that they don't want the life insurance they need; it's just difficult to find the extra dollars to pay for it.

Five reasons to buy life insurance

- To provide continuing income for your family members
- To pay off debts you leave behind
- To pay final expenses and taxes
- To provide an estate for your loved ones
- To leave money to charity



There may be surrender charges at the time of surrender or withdrawal and are taxable if you withdraw more than your basis in the policy.

Any guarantees are contingent on the claims-paying ability and financial strength of the issuing company.

The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased.

Life insurance policies have exclusions, limitations, and terms for keeping them in force.

Buying life insurance you can't afford benefits no one. If it causes your family hardship or requires you to make choices that seem incongruous ("Gee kids, I'd love to take you on vacation, but our life insurance premium is due"), you'll eventually discontinue the policy. Then you lose, and your family loses.

That's why it's important to purchase a policy that meets your needs and your budget. Fortunately, there are many types of life insurance available. These include term life insurance policies and various types of permanent (cash value) life insurance policies. Term policies provide life insurance protection for a specific period of time. If you die during the coverage period, your beneficiary receives the policy's death benefit. If you live to the end of the term, the policy simply terminates, unless it automatically renews for a new period.

Permanent insurance policies offer protection for your entire life, regardless of future health changes, provided you pay the premium to keep the policy in force. As you pay your premiums, a portion of each payment goes toward building up the policy's cash value, which may be accessed through loans or withdrawals. (Keep in mind, though, that loans and withdrawals will reduce the cash value and the death benefit, and could cause the policy to lapse, which may result in a tax liability if the policy terminates before the death of the insured). The cash value continues to grow--tax deferred--as long as the policy is in force.

Several different types of permanent life insurance are available, including:

- Whole life insurance
- Universal life insurance
- Variable life
- Variable universal life

Note: Variable life and variable universal life insurance policies are offered by prospectus, which you can obtain from your financial professional or the insurance company. The prospectus contains detailed information about investment objectives, risks, charges, and expenses. You should read the prospectus and consider this information carefully before purchasing a variable life or variable universal life insurance policy. There are contract limitations, fees, and charges associated with variable life and variable universal life insurance, which can include mortality and expense risk charges, sales and surrender charges, investment management fees, administrative fees, and charges for optional benefits. Variable life and variable universal life insurance is not guaranteed by the FDIC or any other government agency; they are not deposits of, nor are they guaranteed or endorsed by, any bank or savings association. The investment return and principal value of the investment options will fluctuate. Your cash value, and perhaps the death benefit, will be determined by the performance of the chosen investment options and is not guaranteed. Withdrawals may be subject to surrender charges and are taxable if you withdraw more than your basis in the policy.

The bottom line

It's easy to understand why people tend to put off purchasing the life insurance they know they need. But look at it this way: buying life insurance is one way you can help secure your family's financial future. And what could be better than knowing your loved ones will be protected, even if you're no longer around to take care of them?

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