

SHOULD YOU GET LIFE INSURANCE IN YOUR 30s?



PROTECTING YOUR LOVED ONES CAN BE EASIER AND MORE AFFORDABLE THAN YOU THINK

In your 30s, life insurance can be the last thing on your mind. You're still young, healthy and probably feel like you have more than enough expenses to worry about.

But you probably have more financial responsibilities to consider, too. You're likely earning more money, but perhaps there are also people in your life who depend on your income to some degree.

You may own your first home. You may have even started a family or are thinking about it. If any of this sounds familiar, it may be time to consider getting life insurance.

THE WHY, WHAT AND HOW OF LIFE INSURANCE



WHY ACT NOW?

Purchasing earlier is usually better

- **It's less expensive**

When you're younger, the cost for obtaining life insurance is usually much lower. Premiums are typically set by a range of factors, and age is one of the most important. That means life insurance coverage will probably never be as affordable for you as it is today. And putting off purchasing until your 40s or later can significantly increase the potential cost.

- **You'll likely avoid health-related hurdles**

It's a fact of being human: As we get older, there is an increasing risk that a health issue may emerge. Unfortunately, pre-existing conditions can significantly increase the cost of obtaining life insurance coverage—or even worse, prevent you from getting it altogether. Purchasing a policy when you're young and healthy can help reduce this risk.

- **Your loved ones may need it someday**

It can be difficult to think about your own mortality, but it's important to consider what might happen to your loved ones financially if you pass away sooner than you expect. If there will be an income need in the case of your death, then you need life insurance. Perhaps there are people you want to help take care of financially, or maybe there are assets and liabilities that would suddenly be someone else's responsibility that you want to help account for. In either case, planning for the unexpected to help make sure your loved ones are financially protected can be one of the most loving decisions you make.

- **A policy through work probably isn't enough**

If you work for a company, you may be able to get basic group life insurance coverage through your employer. On the plus side, these types of policies are convenient, usually quite affordable and maybe even free. However, keep in mind this coverage is tied to your job. You can't take it with you should you leave the company, and it may not be offered as a benefit by your next employer. Benefit amounts also vary and can be minimal. If you can get this type of coverage, take it. But consider getting your own policy outside of work as well.

WHAT ARE YOUR OPTIONS?

Two types to consider

- **Term life insurance**

Term life insurance policies tend to be simple and straightforward. They last for a preset timeframe, typically between five and 30 years. If you pass away within the covered period, your beneficiary receives a cash payout, the size of which can vary depending on the specifics of the policy. Once the term expires, so does the coverage.

This type of insurance can be a smart choice if you are young, prefer a lower-cost policy and want to make sure that you're covering time-specific financial obligations, such as a mortgage or raising a child. You also may be surprised by how affordable term life insurance can be. Learn more about these types of policies [here](#).

- **Permanent life insurance**

Permanent policies, such as whole life insurance, offer lifelong coverage and the opportunity to build cash value. Unlike term insurance, permanent life insurance lasts the lifetime of the insured, unless nonpayment of premiums causes the policy to lapse.

Most permanent life insurance combines a death benefit with a savings component. A portion of the premiums go toward a cash value account that grows on a tax-deferred basis. As this cash value builds up over time, the owner can borrow against it or withdraw it. Find out more about permanent life insurance [here](#).



HOW MUCH INSURANCE DO YOU NEED?

Determining your coverage fit.

- **Factors to consider**

Deciding how much life insurance you need starts by defining the purpose of the coverage, both in terms of dollar amount and timeframe. How much income needs to be replaced and for how long? Do you have a family to consider? Are there specific financial obligations that you want to account for either today or in the future? These are the types of questions that will help you decide how much coverage makes sense. Here are [some questions](#) to ask when shopping around for policies.

- **A financial advisor can help**

You have a tremendous amount of choices when it comes to the type and amount of life insurance coverage available today—so many that it may seem overwhelming to navigate on your own. A financial advisor can help. Working with a professional who understands your specific circumstances and financial goals can help determine the right kind of insurance to suit your needs. A trusted advisor can also help you secure potentially favorable pricing and understand contractual language. It also gives you and your loved ones a personal contact to turn to as questions or new considerations come up, or if the need to claim the benefit arises.

BUILDING A SAFETY NET WITH LIFE INSURANCE

While you may not think that you need life insurance yet, your 30s actually can be a great time to buy a policy. Making sure your loved ones will be taken care of financially if something happens to you is probably easier and more affordable than you realize.

That's where a financial advisor can help. At Lenox Advisors, we work closely with our clients to understand their specific financial situations and what they want to accomplish with their money. Together, we can build a plan designed to help you achieve your financial goals.

Interested in learning more? Visit lenoxadvisors.com or call us at (212) 536-8700

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