

Life Insurance And Retirement: Re-evaluating Your Policy

If you are one of the many who will be retiring in the next few years, or if you have recently retired, you likely are thinking about changes to your finances. While retirement planning usually involves 401Ks and a reduction of your monthly expenses, changes to items such as life insurance may not be the first thing that come to mind. Retirement, however, may be the best time to re-evaluate your life insurance policy. Here are some things to consider in selecting life insurance that is retirement ready.

Final Expenses

While paying for expenses such as your children's tuition fees or your mortgage may no longer be a concern, making sure your loved ones are not left with expenses such as covering your personal debts or funeral costs can really ease the burden after you are gone. There are a number of insurance policies specifically designed to cover these types of expenses, and in most cases the cost is very reasonable even after you have reached retirement age.

Permanent Life Insurance

Whether or not retirement is in your near future, considering the benefits of a permanent versus a term life insurance policy is important. Permanent life insurance policies give you the ability to retain some value in the principal that you can cash out later, thereby acting more as an investment than a term life insurance policy would. If you already have a permanent life insurance policy, retirement may be the time to consider the benefits of cashing out some of its value.

Annuities

Annuities are another type of investment option that is offered by insurance companies. They act as a type of retirement protection that can give you the security of knowing you will have a guaranteed income should you live longer than expected, or should your retirement savings not be enough. There are a number of options to choose from in the annuities market, ranging from safer investments to riskier, potentially with higher yield return options.

Retirement is a major life change, and taking another look at your life insurance protection and options is an important part of preparing your finances. An insurance agent can help you find the options that are right for you.