

Life Insurance...an “Unselfish Gift of Love”

By Tim C. Lee

Almost everyone hates to think about it or even talk about the word, “Death.” Many of us act like death is an option. Some of us even believe that it only happens when you turn old. The truth is, 100 percent of us are going to die. That’s right 100 percent.

Death can take place any day, place, or time. All of us have to ask ourselves, could our loved ones handle losing us? I am not speaking of the mental and physical aspect, because of course, our loved ones will miss us when we die. I am asking, could our loved ones handle the loss of the financial support that we bring to their lives if we were to die today? The answer is, “No.”

In my opinion, life insurance has four purposes, 1) To cover the cost of burial (national average is between \$7,000 and \$10,000), 2) To pay off your debt (only the debt that is in you and your beneficiaries' name and/or other assets desired to be kept), 3) To provide financial support for those who rely on your income (spouse, dependent children, etc.), and my favorite, 4) To leave an inheritance (a financial gift that will last each of your loved ones many years to come).

You should also have life insurance coverage on your dependent children, but because they rely on your income and not the opposite, you will only need to have enough coverage on them to cover burial expenses. Normally, all of your dependent children can be riders on your life insurance policy for a very small premium. Never buy separate policies for minor children.

I only recommend term life insurance and never cash value life insurance policies (universal life, variable life, variable universal life, whole life, etc.).

According to many Personal Financial Coaches and Planners, cash value policies are horrible products. These types of policies are a lot more expensive than term life, misleading, and typically do not supply enough coverage for what you can afford.



Experts suggest a person have at least six to 10 times of their annual income in life insurance coverage.

When buying coverage, take advantage of group life insurance on your job. These policies are very inexpensive and normally offer up to five times of your annual salary as a death benefit. Since the insurance premiums are paid out of your paycheck, keep in mind that you will not have coverage in the event of a job loss or you take an extended time off due to illness. For those reasons, in addition to your group life insurance on your job, you should also have a life insurance policy through an outside, private company.

Never purchase burial or credit life insurance policies on your debt (credit cards, loans, mortgages, etc.). These policies are outrageously expensive and are also horrible products. Remember, your burial and debt is already covered in your main life insurance policy. There is no need to duplicate coverage. The only exception to

this rule is if you do not currently have life insurance coverage and you are uninsurable due to age and/or illness. In this case, some coverage is better than none.

Getting and having life insurance only makes good and common sense. Show your

loved ones how unselfish you really are by getting the proper amount of life insurance they deserve and need. Remember, the opposite of “Unselfish” is “Selfish.”

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