

# Real Men Own Life Insurance

Walk through any retirement community (a nursing home illustrates the point even better), and it will be obvious why men need life insurance: The vast majority of residents of these facilities are women, many of whom have outlived their husbands. Most of all, in many cases, because their husbands did not have adequate life insurance or take other steps to protect and preserve assets, these senior women are living in or close to poverty.

That's why men need to factor in The Longevity Factor when planning for their loved ones' long-term financial security. The Longevity Factor is the number one reason that real men — men who love their wives and children — own life insurance!

**The facts of life:** Women, on average, live longer than men. According to government figures, men enjoy an average life expectancy of 74.1 years, while women average 79.5 years. <sup>1</sup> However, that 5.5 year difference doesn't tell the whole story. According to the American Council of Life Insurance, on average, a woman age 65 will live 21% longer than a man age 65. <sup>2</sup>

Put another way, by the time they reach retirement age, a woman will generally outlive her husband by 15 years, and, for most, retirement survivor benefits won't even come close to meeting her needs. As a result, "more than 40 percent of older women are living close to the poverty line, and most were not poor before their husbands died." <sup>3</sup>

As a man, what steps can you take to make sure your partner is protected? Do the following:

**Number One: Don't cut corners on your life insurance.** Make sure you have enough. Here's the deal on life insurance: Let's say you own \$500,000 of coverage, and name your wife as beneficiary. That means, within weeks of the day you die, she can receive a check for \$500,000 (though, realistically, most folks take the proceeds in payments). Big point: This money is NOT subject to income taxes. There is no withholding, no 30% plus due to the federal or state governments in April. The result is an instant estate...and instant security.

**Footnote on term life:** Term life insurance can be a valuable tool. However, there is a very real risk that the coverage will expire without value. If you are able to renew your coverage, it will be at a rate that will increase as you get older. If you think ahead to when you are in your 70s or 80s, the cost can become prohibitive. With permanent whole life coverage, on the other hand, once the policy is issued, it cannot be canceled by the company, nor can your premiums be increased. As long as all premiums are paid, the coverage will be there when needed.

**Number Two: Fatten up your retirement plans.** Make maximum contributions to personal IRAs, as well as your employer-sponsored plans. This protects your retirement. Plus, it helps assure that your wife won't have to move into one of your children's back bedrooms when she's 85. At the same time, be sure to review your beneficiary designations and arrangements, so that she is guaranteed a life-long income -- which translates into financial security and independence.

**Number three: Stop putting off the purchase of long-term care insurance.** First, purchase a policy for yourself. That way, if you suffer a long-term illness and are confined to a nursing home, you won't leave your family impoverished. Nursing home costs vary widely by region. However, they average more than \$44,000 a year. <sup>4</sup>

Also, be sure to purchase a policy for your wife for the same reason. There is no sense in paying your assets to a nursing home when insurance can cover most of the costs. This helps protect your children's inheritance as well.

**Number four: Talk to your wife.** This is not just a guy thing. These are decisions that should be made as a couple. The two of you should sit down and discuss your plans for financial security under a number of what-if scenarios. However, keep in mind that The Longevity Factor should be given key consideration in all decisions.

**Finally, you don't have to go it alone.** Contact us. A Life agent— professionally trained and experienced— can help you analyze your needs and recommend appropriate solution through insurance and financial products and concepts —at no charge to you.

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1 "Americans Enjoy New Record Life Expectancies," Reuters News Agency, October 10, 2001.

2 "Retiring in the 21st Century: Issues and Trends (American Council of Life Insurance, 2000).

3 "A Man Is Not a Plan," ivillage.com.

4 "Study Finds Rising Long-Term Care Costs, Demographics Will Make 'Aging in Place' Harder Than Boomers Think," (ACLI News Release April 26, 2000)