



# A guide to life

Understanding your  
life insurance options





# Life insurance is for people who love and live

**Many people today are seeking a more secure future for the ones they love most.**

Nobody enjoys thinking about life insurance, but if someone depends on you financially, it's something you can't avoid.

Life insurance is the simplest, most affordable way to help ensure your family's security and your peace of mind.



## **Inside this guide:**

- » Find out why life insurance helps you reduce a significant risk.
- » Understand who needs life insurance and why.
- » Learn about types of life insurance in straightforward terms.



## Life insurance basics

There are different types of life insurance policies, but essentially, they all pay cash benefits to your beneficiary(ies) when you die. Your beneficiary could be your spouse, child, grandchild or another loved one. Money from life insurance can be used to replace lost income, cover living expenses, pay off debts, fund college, save for retirement and so much more.

Life insurance can offer other benefits, too, including cash value, loans and optional riders (add-on benefits). Many people receive life insurance at work as part of their benefits package, but you can also purchase your own individual policy.

### Employer-provided life insurance:

**Good, but probably not enough.** Do you get life insurance through work? If yes, that's great! Employer-sponsored plans are typically very affordable, or even free for employees. However, most people benefit from securing their own additional coverage for two great reasons:

- » Most group plans don't provide enough total coverage to meet your needs.
- » Most group plans aren't "portable," which means you lose your coverage if you change jobs or retire.

# Take a look at your life

The total amount of life insurance you own today.	\$ _____
If you passed away this week, would your family have enough cash to pay for a funeral and other final expenses?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Without your income, could your family continue to pay all of their regular bills without any interruption?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Could your family continue to pay the mortgage and other debts?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Would your family have enough income and savings to fund college or other future needs for your children?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Would your family have enough extra income to meet savings goals?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If you answered “No” to any of these questions, life insurance may be a sensible solution for securing your family’s future!

## What’s YOUR reason?

The top reasons Americans own life insurance are:<sup>1</sup>

- » **PAYING** for burial costs and final expenses
- » **TRANSFERRING** wealth across generations
- » **COVERING** large debts
- » **REPLACING** lost wages or income



## Numbers tell an important story:

**102 MILLION AMERICANS**

either don't have any life insurance or don't feel they have enough.<sup>2</sup>

**46 PERCENT OF WOMEN**

protect their families with life coverage<sup>3</sup> lagging behind the **57% of men** who own life insurance.

**ONLY ABOUT 4-in-10 AMERICANS**

have enough savings to pay for an unexpected \$1,000 expense in cash. The rest would need to borrow, use a credit card or take out a loan.<sup>4</sup>

### What's your story?

Families who don't have life insurance likely struggle financially when a loved one passes away. That person's income stops, but the bills continue. Medical expenses, funeral and burial costs, household bills and mortgage payments can pile on stress and hardship during an already difficult time.

**Life insurance benefits can ease a family's financial stress** and help them persevere. Yet surprisingly few have adequate coverage — if they have any at all.

Many are thinking about it. What about you? **36% of consumers say they plan to purchase life insurance within the next 12 months** — the highest purchase intent in many years!<sup>5</sup>



# Do you need life insurance?

## *The answer is probably yes!*

Old or young. Single or married. Working or staying home. Financially fit or looking to improve financial security. People of all walks of life need life insurance. Even if you already have coverage from your employer, you may still need an individual policy. That's because workplace policies often only provide a basic minimum amount, and you probably can't keep your coverage if you change jobs or retire.

If you are:	You may need life insurance because:
Engaged or married	Your spouse or partner will likely need the benefits to pay for your final expenses and keep up with ongoing obligations.
A parent with dependent children	Benefits can help provide for your children's future needs — like daycare, clothing, braces, medical care and tuition — if you're not here to do so.
Your family's breadwinner	Your loved ones would immediately suffer the loss of your income.
A single parent	Your children rely on your income every day.
A stay-at-home parent	You provide household services — such as childcare, housekeeping and cooking — that are costly to replace.
The caretaker of an aging or disabled person	Benefits can help pay for your loved one's care needs.
In debt with a car loan, mortgage or other obligations	Benefits can pay your debts, sparing your loved ones that burden.
A homeowner	Your family members may struggle to pay the mortgage without your income. They might even have to sell the home or, worse, face foreclosure.
Committed to an important cause or charity	You want to leave a significant, lasting legacy.



## Will they be OK without you?

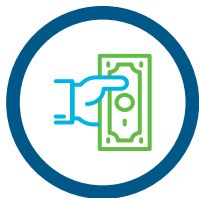
If you passed away today, your family would have to make quick, dramatic decisions at a time when they're still grieving. If your family cannot afford to keep their home and lifestyle without your income, they may need to quickly find more affordable housing or find a new job. **Life insurance can help give your family time and options** — so they can adjust and make rational decisions in their own time.



**The average funeral is costly**, running about \$8,300-\$10,000.<sup>6</sup>



**Your mortgage and other debts may** become your family's responsibility if you pass away. Can they handle the extra financial burden?



**Your family is used to a certain income level.** Without your income, how long could your family continue to afford groceries, utilities, vehicles, medical care, tuition and clothing?



## Getting covered is easy!

**Purchasing life insurance is a simple transaction.** You meet with your trusted insurance agent, discuss your lifestyle and needs, and select the appropriate policy. You then pay regular premiums to the insurance company to keep your policy active.

Your premium rates are determined by several factors, such as the policy type, your age, your gender and your health history when you apply. Typically, the younger you are when you apply, the lower your premiums will be. If you pass away while your insurance is active, the insurance company pays the cash benefit to your beneficiary(ies).

Before you choose your life insurance policy, take a moment to understand how it works, what it includes and how much it costs. Read the following section to learn about the two main types of life insurance: term and permanent.

### Term life

Term life insurance pays a death benefit if the insured person dies during a specified period. A term policy's specified period may be 15, 20 or 30 years, or to age 65. The premium is level, which means it remains the same for the entire period you choose. At the end of the level premium period, many term policies let you continue your coverage at higher premiums that increase annually to age 95 or 98.

**Term insurance is a great solution when you need coverage for a certain time frame, such as the length of your mortgage or until you reach retirement.**

You may have the opportunity to add one or more riders to your term policy for extra protection. A critical illness rider, for example, pays you a lump-sum amount if you're diagnosed with a disease like cancer, heart attack or stroke. This benefit ensures you have extra funds — to use however you need — when you're dealing with unexpected medical costs.

### Advantages

- » Typically the most affordable type of life insurance
- » A great choice for young people
- » Easy to understand

## Permanent life

Unlike term life insurance, which ends at a certain time, “permanent” life insurance is a category of coverage that can be kept in force for a lifetime. This means no matter what age you are when you pass away, your beneficiary(ies) will receive your death benefit. For this reason, permanent life insurance tends to cost more than term.

### **Permanent policies are known for building cash value, too.**

You can withdraw or borrow from your policy's cash value as needed to help fund college, pay off debt or supplement your retirement income.

### ***There are two main categories of permanent coverage:***

#### **Whole life**

- » Level premium payments
- » Guaranteed death benefit
- » Long-term cash value builds tax deferred at guaranteed interest rate
- » Access to cash value

#### **Universal life**

- » Flexible premium payments
- » Increase or decrease death benefit
- » Tax-deferred cash value growth based on the stock market, an index or investments, depending on type of policy
- » Access to cash value

### ***Advantages***

- » Coverage that lasts your entire life
- » Cash value can be used for other financial goals
- » Tax benefits



# Life insurance in real life ...



## Meet the Smiths

### **A young family seeking peace of mind**

Tom, 30, and Emma, 28, have been married for two years, and they're hoping to start a family soon. Their financial obligations include a brand-new mortgage, a monthly car payment and Tom's student loans. Tom and Emma both work full-time, and they know that their lifestyle depends on their dual income.

With their financial obligations and plans to have children, the couple decides that they both want to purchase life insurance. After discussing their needs and budget with an insurance agent, Tom and Emma both decide to buy 30-year level-premium term life insurance policies with \$200,000 death benefits.

Tom and Emma are pleasantly surprised at how affordable their coverage is, with both policies combined costing much less per month than their cell phone plan.

But their peace of mind is priceless — because they know that if either of them dies during the term period, the surviving spouse can use the money to pay off the mortgage or replace income.




## Meet Alan

### **A dad who believes in the importance of financial legacy**

Alan, 42, is a divorced father of two teenagers. Alan works hard to provide a good life for his kids, and he has a healthy savings for their college educations. But he wants his financial commitment to his children to go beyond that. Alan strongly believes in leaving a lasting financial legacy for his kids, and he wants to achieve that through permanent life insurance.

Alan meets with his insurance agent and settles on a whole life policy. He likes the idea of whole life insurance because he can keep the coverage for life and he knows his premiums will never increase. Plus, he can build cash value at a guaranteed interest rate, which he can tap into if needed, or leave for his kids in addition to the death benefit.

For Alan, permanent life insurance means peace of mind knowing his kids will be set up for lifelong financial success.



## Help protect your family and finances with life insurance from Washington National.

For more information about life insurance, contact your Washington National agent or call **(800) 525-7662**.



<sup>1</sup> NerdWallet, *5 Reasons to Get Life Insurance*, <https://www.nerdwallet.com/p/insurance/life/reasons-to-get-life-insurance>.

<sup>2</sup> Life Happens, *U.S. Life Insurance Need Gap Grows in 2024*, <https://lifehappens.org/press/barometer-2024/>, April 15, 2024.

<sup>3</sup> Ibid.

<sup>4</sup> Bankrate, *Bankrate's 2025 Annual Emergency Savings Report*, <https://www.bankrate.com/banking/savings/emergency-savings-report/>, February 13, 2025.

<sup>5</sup> Life Happens, *U.S. Life Insurance Need Gap Grows in 2024*, <https://lifehappens.org/press/barometer-2024/>, April 15, 2024.

<sup>6</sup> NerdWallet, *5 Reasons to Get Life Insurance*, <https://www.nerdwallet.com/p/insurance/life/reasons-to-get-life-insurance>.

Washington National Insurance Company  
Carmel, IN 46032

**WashingtonNational.com**

© 2025 Washington National (02/25)  
LIFE-BK

