LIFE INSURANCE FOR ALL LIFE STAGES

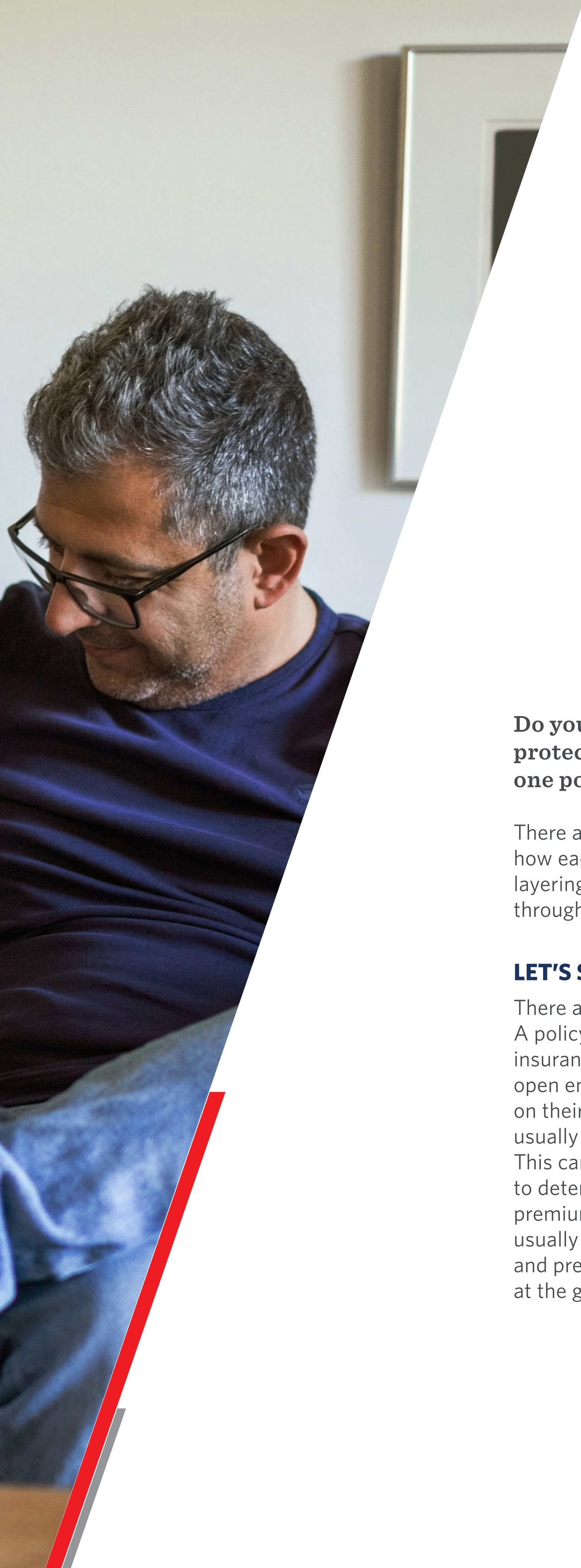
TRANSAMERICA LIFE INSURANCE

Underwritten by Transamerica Life Insurance Company

Approximately

two-thirds

of employed Americans rely on workplace life insurance (theirs or another family member's) to meet their life insurance needs[1]



Do you have the right level of life insurance protection in place? Do you need more than one policy? It can be tricky to figure out.

There are several types of life insurance, and knowing how each works can help you see the benefits of layering products for different needs as you move through the stages of life.

LET'S START WITH THE BASICS

There are a few ways to obtain a life insurance policy. A policy can be purchased individually through a life insurance agent or offered by an employer during an open enrollment benefits season. When purchased on their own and not through an employer you can usually expect to go through an underwriting process. This can mean having to get medical tests or questions to determine a risk class that will determine your premium amount. If offered by an employer there are usually fewer or sometimes no health questions asked, and premiums may be lower since the policy is offered at the group level and not based on each individual.

HOW CAN DIFFERENT LIFE INSURANCE TYPES HELP YOU?

We're going to focus on the most common types of life insurance offered by employers:

GROUP TERM LIFE INSURANCE is an employer-paid term life insurance policy that is usually one times your salary and renews annually as long as you are employed. Its simple purpose is to pay a death benefit if you pass away during that time of employment, helping you to put measures in place to protect your loved ones.

SUPPLEMENTAL TERM LIFE INSURANCE provides employees with the option to purchase more coverage in addition to their employer-paid term policy. You may want to consider this if your debt would require more than your one-time annual salary, such as owning a house, having multiple car payments or planning for a child's education.

PERMANENT[2] LIFE INSURANCE is sometimes used to describe whole life or universal life insurance because they stay with you for your whole life (as long as you continue to pay premiums). You can take these policies with you if you leave your job; it's not just for a specified period of time, like a term policy. And your premiums won't increase due to getting older.

WHOLE LIFE INSURANCE includes a specified death benefit, but also includes some helpful financial features. Your premiums build cash value, and you can borrow[3] against that cash value if needed — say for an emergency loan in a time of need.

UNIVERSAL LIFE INSURANCE offers many benefits of whole life insurance, such as building cash value and the ability to keep the policy when you leave your job. Plus, it allows you the flexibility to change your benefit amount at any time should you need for more or less throughout your lifetime.

LIVING BENEFITS — Some life insurance types can even offer added features called riders that increase value to your policy. Living benefit riders, when included in your policy, can allow you to tap into your death benefit while you're still living, as long as certain qualifications are met, such as having a debilitating condition that requires extensive caregiving.

ASK THE RIGHT QUESTIONS

Even 22% of life insurance owners live with an "underinsured need gap"[4], showing the importance of taking a good look at your personal situation to help access the protection needed — it may mean layering different life insurance policies to avoid gaps in protection and build a wider safety net over time.

It's important to assess your current and future life stages. Ask yourself, who will feel the loss of my income if the unexpected happens? What would they need?

Single with no Children?

Perhaps you're looking for life insurance as a way to cover funeral expenses, pay off outstanding debt, or leave an inheritance?

Who would pay your funeral expenses and outstanding debt? Would you like to leave an inheritance behind for loved ones?

Single with Children?

Life insurance is commonly used to leave behind funds for those we love most.

Could your family afford childcare or school tuition without your income? Would a coparent have trouble keeping up without the child support you provide?

Parent of a Child with Special Needs?

A child with special needs requires expensive care and dedicated time.

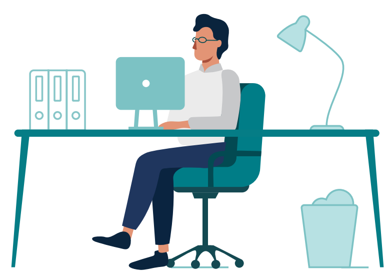
Who would provide care for your child, and could they pay for the child's additional needs without hardship?

Widowed?

Who would care for you if you needed caregiving assistance? Would it cause a financial burden for them or be difficult for you to pay if given by medical providers?

Married with Children?

Could your family keep up if they lost your or your spouse's income? How much would it change your budget to pay others to help?



Primary Wage Earner?

Does your family need your income to keep up their current standard of living? Would they need help staying in the family home, or paying school or car loans?

WELL-ROUNDED LIFE INSURANCE TO MEET CHANGING NEEDS OVERTIME

Different life choices and stages bring different life insurance needs, dependents, and ability to pay premiums as we move through life.

For example, a young single dad might want to buy supplemental term life in addition to his employer-paid group term life. A woman in her thirties might choose universal life insurance because it will offer her the option to borrow against the cash value[4] later, when her parents need her to help with their care.

LAYERING LIFE INSURANCE FOR LIFELONG NEEDS

Here's an example on how layering policies might make sense for some:

BEGINNING CAREER

With little debt and fewer expenses not much life insurance may be needed.

MARRIED WITH NO CHILDREN

Getting married can mean shared debt that the employee and new partner incur together or bring into the marriage. Even with no children, life insurance can provide some financial protection for the partner, aging parents, pets or a valued charity.

HAVING CHILDREN

In the United States the cost of raising a child through high school has risen to more than $300,000.[5] Putting protection in place is critical should one or more parent pass.

SENDING CHILDREN TO COLLEGE

The average cost of college in the U.S. is $35,551 per student per year.[6] Having a life policy can keep college part of a child's future even if there is an untimely death.

CHILDREN ARE GROWN AND DEBT IS REDUCED

Expenses may decrease and retirement may be on the horizon. This is a good time to re-evaluate how much life insurance is needed for your situation.

RETIREMENT

Employer-paid benefits will end but a permanent life policy can help cover the cost of a funeral or nuisance debt, and with living benefits it can help with care needs.

TRANSAMERICA®

THE TRANSAMERICA DIFFERENCE

Transamerica has been helping to protect the quality of life for individuals and families for 90 years. We have the knowledge, stability, and commitment to help people prepare for the unexpected.

[1] "Facts About Life 2021: Workplace Benefits," LIMRA. September, 2021.

[2] It is important to note that the insurance could lapse prior to the maturity date based on the planned periodic premiums, guaranteed interest rate, and guaranteed cost of insurance charges, or for nonpayment of premium.

[3] Loans, withdrawals, and death benefit accelerations will reduce the policy value and the death benefit and may increase lapse risk. Policy loans are tax-free provided the policy remains in force. If the policy is surrendered or lapses, the amount of the policy loan will be considered a distribution from the policy and will be taxable to the extent that such loan plus other distributions at that time exceed the policy basis.

[4] "2021 Insurance Barometer Study," LIMRA. 2021.

[5] "To Raise a Child in 2022, it costs a hair-raising $310,605" Kaiser Health News, August 2022

[6] "Average Cost of College & Tuition" Education Data Initiative, October 2022

Up-to-date information regarding our compensation practices can be found in the Disclosures section of our website at: tebcs.com.

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