



Life Insurance Guide

Step 1: How Much Coverage Do I Need?

This question stumps most people - and for good reason. It's not something we think about every day. But it doesn't have to be complicated.

Start with your obligations:

- Do you have young children?
- A mortgage?
- Loans with co-signers?
- Final expenses to cover?

Example: If you're a parent with a 9-year-old child and you earn \$70,000 per year, your first priority is replacing that income until your child turns 18. That's $\$70,000 \times 9 \text{ years} = \$630,000$.

If you also want to help pay for college, your coverage needs will increase. Providing half of college expenses plus replacing your income until age 18 could bring your total need to about \$680,000.

On the other hand, if your children are grown, you have no debts, and your main goal is to cover final expenses, you can simply look at average funeral and burial costs in your state, typically \$15,000–\$25,000, and choose a policy amount accordingly.

Step 2: How Long Should My Coverage Last?

Your coverage length will guide you toward the right type of life insurance.

- Covering a set period: If you want to protect a 30-year mortgage, a 30-year term policy is a direct fit.
- Lifetime protection: If you want to leave a guaranteed legacy, a permanent policy is designed for that.

Key difference:

- **Term life** lasts for a set number of years (10, 15, 20, or 30) and then ends.
- **Permanent life** lasts for your entire lifetime, as long as you pay the premiums.

“The purpose of life insurance is to protect the people you love from the risks you can’t control.”

Step 3: Consider Your Health and History

Life insurance companies assign underwriting classifications to determine your rate. Your classification, and therefore your premium, depends on several factors.

Health factors:

- Tobacco use
- Height and weight
- Medical conditions (e.g., high blood pressure, diabetes, heart issues)
- Current and past medications (e.g., antidepressants, insulin, blood pressure medication)

Non-health factors:

- DUI history
- Bankruptcy
- Substance abuse history

Document these details so your agent can match you with the insurer most likely to offer the best classification.

Step 4: Choosing the Right Company

Once you know:

1. How much coverage you need
2. What type of policy fits
3. Your health and background details

...a licensed broker can match you with a company that's most favorable to your situation.

Why this matters: every insurer has different underwriting guidelines. One company might give you their top rating, while another could rate you lower, or decline you entirely, for the same profile. Your agent's job is to find the right fit so you get the best possible terms.



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...MassMutual



Step 5: The Underwriting Process

Once your agent finds the best match, you'll complete the application and go through underwriting. There are two main paths:

- **Traditional Underwriting** - Requires a medical exam (blood and urine tests) and a detailed health review.
- **Accelerated Underwriting** - No exam required; medical records are reviewed and you answer health questions virtually.

Which process you follow depends on the insurer's rules, your age, coverage amount, and any "yellow flags" in your medical history. Even if accelerated underwriting is available, some applicants are moved to traditional underwriting if more information is needed.

Your agent will handle the details - **you just need to answer the questions** and, if required, complete the exam.