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## Life insurance and EP

Posted by Tomas P. - 2007/09/07 02:33

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How much life insurance should a person have? Just enough to cover his/her debts? To pay for college?

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## Re:Life insurance and EP

Posted by bigdaddy - 2007/09/10 13:41

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That depends on what you want to accomplish. If all you want to do is cover your "nut" when you pass-on, then just get enough life insurance to cover your debts and funeral costs. But, I advise clients that when you pass, you may want to leave something behind for your loved ones. So, if you can afford it, get a little larger policy to help your family go on without you for a little while. This is especially important if you live in a two income family home, or if you are the major "bread-winner" in the household. Who ever it is you leave behind now has to try and make do without your income and try and sustain whatever life-style debt you left behind. For example, you may live in a house that requires two incomes to pay the mortgage and utilities. What about any vacation property you may have, a car, whatever. These things have to be maintained. So, in my opinion, when you pass-on, try to leave behind enough to make sure whoever you leave behind is not so financial burdened that you cause them additional grief -financially.

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## Re:Life insurance and EP

Posted by steve - 2007/09/11 03:11

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I tell my clients that life insurance has a "purpose". The purpose can be to pay off debts if the primary wage earner passes on; or the purpose could be to provide a real legacy for children. If you were a life insurance agent, then the purpose is to sell as much life insurance as possible because of the big commissions. So, the purpose of life insurance depends on who you ask.

After you take an inventory of the clients assets, a discussion between the client and the estate planning attorney should determine the right amount of life insurance and how to own/hold the policy.

Good Luck.

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