

TERM LIFE INSURANCE BY DAVE RAMSEY

Don't Leave Your Family Unprotected

How Much Coverage Should I Get and for How Long?

I recommend carrying 10-12 times your income in term life insurance. This amount will be enough to replace your income and allow your family to continue their financial journey. As for length, 15-20 years is a safe bet. That's enough time for you to get out of debt, build savings, and eventually eliminate the need for life insurance altogether. Younger families who are just starting out may need a bit more time to accomplish their financial goals. In these cases, a 30-year term may be advisable if it fits into their budget.

Why Term Life Instead of a Cash Value Policy?

Term life insurance is cheaper because you're only paying for a set amount of time. Cash value policies are based on the myth that you need life insurance for your whole life (which is why they're sometimes called "whole life" plans). If you're paying off debt and saving money, you won't need life insurance for your "whole life" – so why pay for it? Cash value plans are full of fine print and savings gimmicks with a low rate of return. There are way smarter ways to invest your money.

Which Company Should I Choose?

Since term life plans are pure protection with no savings plans or other gimmicks, you should select the least expensive option that addresses your needs. We only offer plans from the financially top-rated companies, so even if you haven't heard of them, they are worth your consideration if their pricing is the best for you.

For How Long Should I Be Tobacco Free Before I Can Save Money?

Typically, you can qualify for tobacco-free rates after 12 months. It depends on the company – the folks at Zander are familiar with the rules for different companies and can help you find one with competitive rates for your situation.

Should I Have Child Rider on My Policy?

Dave is okay with adding child riders to one parent's policy, but does not advise having a separate policy for your children for either savings purposes or guaranteeing their future insurability. Child riders tend to be very inexpensive (\$50-60 per year) and cover all children in the household to adulthood – the age varies by company – with coverage amounts up to \$20,000.

Should I Have a Living Benefit Riders on My Policy?

No – riders tend to be high in cost and low on value. Living benefit, accidental death, critical illness, and other riders are emotionally charged gimmicks that only pay off for the agent and company who sells them.

Do I Need Life Insurance?

If anyone depends on your income, you need life insurance. If you're single with no kids, it only makes sense to get a policy if you don't have enough saved up (or are in too much debt) to cover burial and final expenses.