

## The Facts Of Life....Insurance

According to Statistics Canada's Death report (January, 2008) which looked at deaths in Canada in 2005, the deadliest months for Canadians were January, February, March and December.

Of the deaths in Canada:

- 9.8 per cent were in January
  - 8.5 per cent in February
  - 9.1 per cent in March, and
  - 8.7 per cent in December

Whereas, the summer months were noticeably lower:

- 7.7 per cent were in June
  - 7.9 per cent in July
- 7.8 per cent in August
- 7.5 per cent in September

At first glance—and we're sure there are a hundred other factors to consider too—it looks like winter really takes its toll. What's also interesting is that January, February and March are also the same months when people are more inclined to look into life insurance

Perhaps these shoppers were touched by the death of a loved one, friend or acquaintance that moved them to look after their own life insurance needs; but the fact is, compared to the rest of the year, the first three months of each year are typically the months with the highest number of enquiries

True or false? Fact or fiction? Understanding life insurance and its benefits means sifting through the myths surrounding it. So we've taken a look at the most common misconceptions about life insurance to set the record straight, helping you to make the right choice for you and your family.

### **Myth #1: I don't need life insurance.**

Probably false. Unless you are an individual who does not have children, has money on hand to cover all debts and funeral expenses, and does not feel the need to offset the loss of their income to a spouse, leave any additional money to family, or to a charity, then it may be true, you don't need life insurance. But few people have the funds readily available to fulfill all their wishes or meet their obligations after their death.

At the very minimum, if you have anyone who relies on your income for their day-to-day needs like a spouse or children, or if you have debts like a mortgage, credit cards, or car loans, then you likely need life insurance.

### **Myth #2: I don't work outside the home so I don't need life insurance.**

Definitely false! Just because there's no paycheque to replace, doesn't mean life insurance is unnecessary. In fact, have you ever considered how much it would cost to pay for childcare and housekeeping in the absence of a stay-at-home parent? It's a lot of money and reasons enough to have life insurance.

**Myth #3: I have life insurance through my job. I don't need any more coverage.**

False. The truth is your life insurance coverage through your work may not be protecting yourself and your loved ones as much as you think. Review how much your employer-paid insurance provides and calculate whether this is enough to keep your family comfortable through the difficult times if you're not around. What's more, when you leave your job for any reason, including retirement, your coverage will cease.

**Myth #4: I have coverage from my mortgage lender. It's enough.**

Mortgage life insurance pays off your mortgage if one of the people listed on the loan dies before it's paid—but that's it. What about the rest? Life insurance offers coverage that can be used for anything, including funeral expenses, paying down a mortgage, car loan and credit cards, or to offset the loss of income into the family finances.

**Myth #5: I don't need life insurance once my children are self-supporting and my mortgage is paid off.**

Everybody's insurance needs vary. But how would your spouse manage daily living expenses without your help? And what if your spouse outlived you by 10, even 20 years?

**Myth #6: I won't be able to get insurance because I'm a smoker.**

Not true. What is true is that as a smoker, the premium you pay for your life insurance coverage will be slightly higher than a non-smoker's premium. Even though as a smoker you'll pay more for your coverage, it's likely more affordable than you think.

Plus, many life insurers offer 'preferred rates' to smokers as well. After all, even though you are a smoker doesn't mean you are unhealthy, so why not?

**Myth #7: Once a smoker, always a smoker in the eyes of the life insurers**

Wrong! Good news for ex-smokers. Most life insurance companies consider you a non-smoker once you've been smoke-free for 1 full year. So congratulations, after one year you can get non-smoker rates.

**Myth #8: I'm young so odds are I won't need life insurance.**

Although it is unlikely you'll die during your working years, you're not insuring for what's likely to happen but instead, for the worst-case scenario. That's why life insurance is inexpensive for young, healthy people. Buying life insurance now means you'll be providing financial security without spending a lot of money for it.

*A complete analysis of your life insurance needs with a qualified and experienced insurance professional, will help you to determine what your need for insurance may be.*

*For a no obligation analysis of your insurance planning needs, please contact us to discuss and review your options for your unique situation.*