

# Life Insurance

## A Key Piece of the Financial Planning Puzzle

Stocks, bonds, college savings, retirement, taxes. When most people start piecing together their financial strategy, these are the items they usually think of. But, for many people, one key piece of the puzzle is missing: life insurance.

### 4 Reasons Why Life Insurance Has a Place in Your Financial Plan

#### 1 Proceeds can pay off a mortgage

For most people, a mortgage is one of life's biggest expenses. If you or your spouse were gone tomorrow, could your family afford to keep the home without your income? Life insurance can provide your family with a lump sum of money to pay off mortgage debt, eliminating a potential financial stress at a time when they are dealing with grief.

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#### 2 Insurance can cover final expenses

In 2019, the median cost for a funeral in the U.S. was \$7,640.<sup>1</sup> Does your family have the immediate funds to cover that kind of expense? The right life insurance policy can cover these costs, relieving your family of the need to tap into emergency savings, retirement account or being forced to take out a loan at such a difficult time.

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#### 3 Caring for special needs children or aging parents

Life insurance is critical if you have a special needs child or aging parents that depend on you for financial support. Without the resources to provide for their continual care, family members will be forced to take on a stressful and lifelong financial burden. Life insurance proceeds can provide the financial support needed for these special individuals in your life.

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#### 4 College costs

Many parents struggle to save enough for the ever-increasing cost of their children's education. The average tuition and room and board charges were \$21,950 in 2019-2020.<sup>2</sup> If you weren't around, could your spouse alone save enough? Fortunately, you can leave your children the gift of education by factoring educational expenses into your life insurance policy's death benefit.

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### September is National Life Insurance Awareness Month

It's a great time to discuss your situation with your family and your financial advisor. If you're not ready in September, don't worry; you can talk life insurance anytime throughout the year.

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Sources:  
<sup>1</sup> <https://smartasset.com/life-insurance/how-much-does-the-average-funeral-cost>  
<sup>2</sup> <https://research.collegeboard.org/pdf/trends-college-pricing-2019-full-report.pdf>