

Bach Talk: Your Money or Your Life (Insurance)



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Source: <https://uphelp.org/bach-talk-your-money-or-your-life-insurance/> Date: April 20, 2024

Certified Financial Planner and former UP Board member Larry Ginsburg enjoying life

As with all types of insurance, you have choices to make when shopping for life insurance. If you're in the market for life insurance, rates are the [lowest they've been in 20 years](#).

That is probably because fewer and [fewer employers offer it as an employee benefit](#), which means insurers have to aggressively compete for your business. But like any other insurance, United Policyholders strongly encourages you to look beyond the immediate premium pricetag and consider both benefits and your future premiums.

Naturally, you want to consider your age, health, and family circumstances as you make your decision, but you should also educate yourself about different [coverage options available](#). And, things can change rapidly in the insurance market, so before you purchase a policy ask an experienced insurance advisor about any new developments. [Picking a trustworthy and savvy financial advisor or insurance agent is just as important as picking the right insurance company or policy](#). Life insurance products pay varying sales commissions to agents; the more complicated products tend to pay higher commissions than plain vanilla term life insurance. That makes it extra important to work with an advisor/agent that you can trust to steer you to the option that's best for your situation, and who won't be influenced by the possibility of a lucrative commission. Agents have the right to earn a fair commission, but their recommendation to a customer is supposed to be in the *customer's best interest*, not theirs.

Life insurance for some consumers is a time-bounded consideration (e.g., until kids are out of the house, or until retirement). Because of the expense and fees associated with "permanent" or "whole" life insurance, Senior Advisor and Principal [Norman Boone](#) of Private Ocean financial planning firm advises that term life insurance (life insurance that ends after a set period of time) is a better option. Term life insurance can provide security for heirs, and then may no longer be needed when other forms of retirement and savings are available.

Conversely, whole life insurance can sometimes be used as an [investment option](#), if you decide to take out a loan or partial withdrawal. You can also purchase life insurance that includes a [long-term care rider](#), which can be pricey but a good option for future healthcare needs. Amy Corbett of Northwestern Mutual

cautions, “If you are considering a complex life insurance product, keep asking questions until you fully understand all the moving parts. Don’t be embarrassed that you don’t understand it the first or second time it is explained to you.”

Fortunately for consumers, the SEC recently adopted a [new set of regulatory standards](#) that direct broker-dealers (including those selling life insurance) to act in the “best interest” of the retail client when recommending a securities or investment strategy. This is in contrast to an influx of [robo-advisors](#), automated services that drew the interest of brokers who are concerned about assessing the skill of non-human agents and protecting consumers from being exploited.

The takeaway? Do your homework before purchasing life insurance, and speak to a knowledgeable advisor about your options.