



# LIFE INSURANCE BUYER'S GUIDE

For Retirees &  
Pre-Retirees

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**Your Complete Resource Guide**

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- ☐ Living Benefits
- ☐ Final Expenses
- ☐ Legacy Planning




**FREE Download**

Everything you need to make an informed decision



## Why Life Insurance Still Matters in Retirement

Life insurance isn't just for young families anymore. Today's policies offer powerful benefits for retirees—from tax-free income and healthcare coverage to guaranteed legacy protection. This guide shows you how to make life insurance work for your retirement goals.

 <b>Living Benefits</b>	 <b>Final Expenses</b>	 <b>Legacy Planning</b>
Access cash value for retirement income, medical expenses, or emergencies	Cover funeral costs and bills without burdening family	Leave tax-free inheritance for loved ones or causes

## Understanding Your Options

### Term vs. Permanent Life Insurance

Feature	Term Life	Permanent Life
<b>Duration</b>	Expires after term (10-30 years)	Lifetime coverage
<b>Cash Value</b>	None	Grows tax-deferred
<b>Best For</b>	Temporary needs only	Retirees seeking flexibility

### Types of Permanent Insurance

- **Whole Life:** Guaranteed premiums and cash value growth. Most predictable option.
- **Universal Life:** Flexible premiums with interest-based growth.
- **Indexed Universal Life:** Growth tied to market index with downside protection.
- **Variable Universal Life:** Investment sub-accounts with higher risk and return potential.

## Living Benefits: Use Your Policy Now

Modern life insurance isn't just a death benefit—it's a financial tool you can use during retirement.

### Cash Value Access

- Supplement retirement income during market downturns
- Cover unexpected medical expenses not covered by Medicare
- Fund home modifications for aging in place
- Bridge income gaps before Social Security



## Accelerated Death Benefits (Riders)


<b>Critical Illness Rider</b>  Access funds if diagnosed with cancer, heart attack, stroke, or other serious conditions.	<b>Chronic Illness Rider</b>  Receive benefits if you can't perform 2+ daily activities (bathing, dressing, eating).
<b>Terminal Illness Rider</b>  Access your death benefit early if diagnosed with 12-24 months or less to live.	



## Final Expense Coverage

Don't leave your loved ones with unexpected financial burden. End-of-life costs average \$15,000-\$40,000.

Expense	Typical Cost
Funeral & burial/cremation	\$7,000 - \$12,000
Outstanding medical bills	\$5,000 - \$15,000+
Estate settlement & legal costs	\$3,000 - \$10,000
Total Range	\$15,000 - \$40,000+

 **Tip:** Final expense policies (\$5,000-\$50,000) often have simplified underwriting, making them accessible even with health issues.

## Legacy Planning Strategies

Life insurance creates a guaranteed, tax-efficient legacy for the people and causes you care about.

### Why Life Insurance for Legacy?

- ✓ Guaranteed payout (unlike investments, coverage is guaranteed)
- ✓ Tax-free to beneficiaries (no income tax on death benefits)
- ✓ Creates leverage (large benefit from modest premiums)
- ✓ Bypasses probate (immediate cash to beneficiaries)

### Common Legacy Strategies

- Equalize inheritances (e.g., business to one child, insurance to others)
- Charitable giving (name charity as beneficiary)
- Estate tax coverage (provide liquidity for large estates)
- Special needs planning (fund trust for disabled dependent)

## Choosing the Right Policy

### Key Decision Factors

Your Primary Goal	Best Policy Type
Final expenses only	Whole life or guaranteed universal (\$10K-\$50K)
Living benefits & flexibility	Universal or indexed universal with riders
Maximum legacy	Whole life or guaranteed universal (larger amounts)



## Health-Based Options

- Excellent health: Traditional policies with full underwriting (best rates)
- Moderate health issues: Simplified issue (no exam, limited questions)
- Significant health concerns: Guaranteed issue (no health questions, 2-3 year waiting period)

## Common Questions Answered

### Q: Isn't life insurance too expensive in retirement?

A: Final expense policies often cost \$50-\$150/month for \$15K-\$25K coverage. The guaranteed benefit and living benefits often justify the cost.

### Q: Will I qualify with health problems?

A: Yes! Simplified and guaranteed issue policies are designed for people with health challenges.

### Q: How much coverage do I need?

A: For final expenses: \$15K-\$40K. For legacy: calculate what you want each beneficiary to receive after considering other assets.

### Q: Can I have multiple policies?

A: Absolutely! Many people have one policy for final expenses and another for legacy planning.

## Tax Advantages

- ✓ **Death benefits are income tax-free to beneficiaries**
- ✓ **Cash value grows tax-deferred (no annual taxes on growth)**
- ✓ **Policy loans are tax-free (not considered taxable income)**
- ✓ **Withdrawals up to premium basis are tax-free**

**⚠ Important:** Consult a tax advisor about your specific situation. Avoid Modified Endowment Contracts (MECs) by not over-funding your policy.



## Your Action Plan

Life insurance becomes more expensive with age, and health changes can affect eligibility. Take action now to secure your financial future.

1. Clarify your goals: Final expenses, living benefits, or legacy planning?
2. Determine your budget: What can you comfortably afford monthly?
3. Gather information: Health records, medications, beneficiary details
4. Find a qualified agent: Independent agent specializing in senior life insurance
5. Compare options: Get quotes from at least 3 companies
6. Make your decision: Choose the policy that aligns with your goals

### Ready to Take the Next Step?

Contact DG Life Group today for a personalized consultation.

*Your future self—and your loved ones—will thank you.*