



LIFE INSURANCE BUYER'S GUIDE

For Retirees &
Pre-Retirees

Your Complete Resource Guide

 **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.

Living Benefits	Final Expenses	Legacy Planning
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
Duration	Expires after term (10-30 years)	Lifetime coverage
Cash Value	None	Grows tax-deferred
Best For	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)

Critical Illness Rider Access funds if diagnosed with cancer, heart attack, stroke, or other serious conditions.	Chronic Illness Rider Receive benefits if you can't perform 2+ daily activities (bathing, dressing, eating).
Terminal Illness Rider 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.