

SECURITY, PROTECTION AND PEACE OF MIND
term life insurance



why life insurance?

Life insurance is designed to provide your loved ones a cash benefit if you pass away. The money can be used to replace your income, cover living expenses, pay off debts, fund college for your children and much more.



FACTS ABOUT LIFE

AN ACT OF LOVE

Protecting your family with life insurance is a caring, responsible act. With this simple step, you can help provide for your loved ones and ensure a more secure future.

If you were to die during your working years, would your family be able to manage without your income?

Would your spouse, children or other loved ones be able to pay the mortgage or rent? Keep up with regular household expenses? Attend college? Retire in comfort?

For most Americans, the simplest way to answer “yes!” to each of these questions is with life insurance.

Simply put, life insurance helps your loved ones go on without you financially while they recover from your loss.

Many people look at life insurance as the cornerstone of their financial plan and one way to help protect their finances and family.

A large majority of American households are at risk of losing their present lifestyle and future security if their primary wage-earner died today.

- **30%** of households have no life insurance of any kind.
- Only **44%** have individual life insurance.
- **50%** of households—**58 million in all**—recognize that they don't have enough life insurance.
- Coverage amounts are at an **all-time low** today. The average coverage amount is **down 20%** from just a decade ago.

Source: LIMRA, *Facts About Life 2013*

A simple plan

When you purchase a life insurance policy, you pay regular premiums to the insurance carrier. Premium rates are determined by a number of factors, including the type of insurance and your age, gender and health history at the time you apply. If you pass away while your insurance is in force, your designated beneficiaries receive the policy's full face amount.

DO I NEED LIFE INSURANCE?

All adults need life insurance whether they earn an income or not. Here's why...

If you are:	You may need insurance because:
Married or about to be married.	Your spouse or partner can use the benefits to pay for your final expenses and meet ongoing obligations.
A parent with dependent children.	Benefits can provide for your children's future financial needs—such as braces, daycare, clothing, medical care and tuition—when you're no longer able to do so.
The breadwinner in your family.	Your family's lifestyle would be significantly impacted by the loss of your income.
A single parent.	Your children rely on your income to get by from day to day.
A stay-at-home parent.	Even when you don't earn an income, you provide a number of services—such as caring for children, housekeeping and cooking—that are costly to replace.
In debt with a car loan, mortgage or other loans.	Benefits can be used to pay your debts and spare your loved ones that burden.
A homeowner.	Without your income, your family members would have to make the mortgage payments, sell the home or worse, face a foreclosure.
In business with a partner.	Your absence could cause the business to fail or close.
An employer with a hard-to-replace employee.	Without a key employee, your company could fail or close.
Involved with an important cause or charity.	You want to leave a significant, lasting legacy.

HOW MUCH LIFE INSURANCE DO I NEED?

While every adult should have some level of life insurance, the exact coverage amount will vary based on the situation.

To determine how much life insurance you need, consider:

Your approximate final expenses.

Funerals can be expensive—averaging \$8,343 for the burial, casket and vault, and much higher when adding in the cost of cemetery fees, marker costs, flowers, obituary notices, limos and other common expenses. Plus, funeral costs increased more than 60% between 2004 and 2012.¹ Your final expenses likely will be even more significant in another 10, 20 or 30 years.

Your mortgage balance and other debts.

FICO² research indicates that the average American consumer has 13 different debt obligations, including credit cards and installment loans.

Your regular budget.

The members of your household require a certain amount of monthly income to pay for everyday expenses like groceries, clothing, utilities and gasoline.

Your future needs.

If you were to pass away, you wouldn't be able to provide for your loved ones' future needs, such as a child's medical care, college tuition or wedding.

¹National Funeral Directors Association, *General Price List Survey*, 2012.

²FICO is an organization that calculates and publishes credit scores for consumers and creditors. FICO is one of the top analytics and decision-management product providers worldwide. Many people use the terms "credit score" and "FICO score" interchangeably.



Add up these obligations and compare the sum to your total assets. The difference represents the amount of life insurance you need.

Example:

Immediate expenses	
Mortgage	\$125,000
Final expenses	10,000
Debt	8,000
Education/tuition	+ 25,000
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Immediate cash need	\$168,000
Assets	
Checking and savings	\$4,000
Investments	50,000
401(k) balance	55,000
Other life insurance	+ 125,000
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Total assets	\$234,000
Immediate cash need	\$168,000
Total assets	- 234,000
<hr/>	
Net cash need	(66,000)
Lost income*	+ 216,000
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True cash need	\$150,000

**Based on an income of \$1,800 per month for 10 years, not accounting for inflation.*

In this example, the individual requires a minimum face amount of **\$150,000** to cover expenses and replace lost income.

Calculate your need

You can find a number of insurance calculators online to help you assess your situation. The LIFE organization, for one, offers an easy-to-use tool at www.lifehappens.org.

Of course, your needs assessment isn't complete without advice and input from a trusted insurance agent. He or she can sit down with you to conduct a thorough analysis and determine an appropriate coverage level.



Verify your need

When you have insurance in place, review your coverage periodically to make sure it continues to cover your family's true cash need. Check your policy to **verify that your beneficiaries are accurately listed** and your contact information is up to date.

Make a habit to review your policy every year and when any of these “trigger events” occurs:

- Marriage or divorce
- Birth or adoption of a child
- Home purchase or refinance
- New business
- New job
- Job loss
- Retirement
- Charitable pledge or obligation



WHAT IS TERM LIFE INSURANCE?

Of the various types of life insurance available today, term is the most basic. A term policy can be an affordable, straightforward solution for your life insurance needs. It's easy to understand and even easier to use.

The typical consumer chooses a term policy when he or she needs life insurance coverage for a specific period of time, such as 15 years. A few carriers now offer a term policy that can provide coverage throughout a person's working years—up to age 65. If the insured dies during the stated term, the policy pays a lump-sum benefit to his or her beneficiary.

Term insurance is a logical solution when the need for coverage ends at some point, such as retirement. It offers the largest coverage amount for the lowest premium. Many consumers choose a term policy as a way to cost-effectively increase their total life insurance coverage.

With a term policy, the death benefit remains the same no matter how long it's in force. Premiums are much less than for "permanent" forms of insurance like whole life and universal life. Your insurance carrier also may let you convert your term policy to a permanent policy at the end of the term without requiring additional underwriting or medical exams.



This chart is provided for illustrative purposes only.

WHAT SHOULD I KNOW ABOUT TERM LIFE INSURANCE?

Term life insurance:

- Is easy to understand.
- Offers the largest coverage amount for the lowest premium.
- Does not offer a cash value.
- Pays benefits directly to your beneficiaries.
- ***Rates increase as you age, so it's best to lock in adequate coverage at guaranteed level premiums to affordably protect yourself throughout your working years.***



WHAT IF I ALREADY HAVE LIFE INSURANCE?

If your employer offers group life insurance, you'll probably want to take advantage of that opportunity. But you should consider purchasing additional life insurance outside of work.

Many group plans don't provide the total amount of insurance you need, because the available coverage amounts are typically low. Plus, most group plans are not "portable," so you can't keep the insurance if you lose your job or go to work for a different company.

Term life insurance typically is an affordable complement to your group coverage. A simple term plan can increase your total coverage to an appropriate level and ensure you're protected if you lose your job, change careers or retire.

WHAT OPTIONS ARE AVAILABLE WITH TERM LIFE INSURANCE?

Term policy options may vary, but here are some key things to look for.

Terminal illness rider

Most term insurance policies are available with a terminal illness rider. This feature lets you access a percentage of the policy's face amount—usually up to 75%—if you are diagnosed with a terminal illness and expected to live only a few months. This rider makes funds available when they're most needed to pay medical bills, supplement living expenses or fulfill final wishes.

Critical illness coverage

It's far more likely that you'll experience a critical illness—such as cancer, heart attack or stroke—than a terminal illness. Critical illness coverage can pay you a lump-sum benefit you can use to pay out-of-pocket expenses associated with your treatment and recovery, and it helps you keep your savings and insurance benefits intact.

You can add critical illness coverage to your term life policy as a rider or purchase it as a separate policy. The premium can be a small price to pay for the additional financial security.

Return of premium

When you choose term coverage with this option, you can get back your eligible paid premiums at the end of your level-premium term. You can then use your return to buy reduced paid-up insurance or extend your term coverage. You also can take the benefit in cash.

WHY CHOOSE WASHINGTON NATIONAL?

You can feel confident about Washington National Insurance Company

Since 1911, Washington National has been helping working Americans protect themselves and their families from the financial hardship that often accompanies critical illnesses, accidents and loss of life. Washington National is financially strong, with \$3.3 billion in invested assets under management, \$2.7 billion in policy reserves and \$607 million in annual premiums. We insure nearly 1 million policyholders and 25,000 employer groups who represent a broad spectrum of industries, in companies of all types and sizes.

Washington National's term life policies are available in the workplace and at home. These policies have benefits and premiums that stay the same throughout your term period, along with riders that offer extra protection for yourself and your loved ones. Simply choose 15 year set term or select the "to-age-65" term, which can cover you throughout your working years. With Washington National, you can keep your coverage even if you change jobs. Plus, when you add a return of premium option,¹ you can get back 50% of your paid premiums.

¹Premiums are based on the level of coverage selected.

Want to know more?

To learn more about supplemental health and life insurance, **contact your Washington National agent** or call **(800) 525-7662** for prompt support.



Policies, benefits and riders are subject to state availability. The policies described are issued by Washington National Insurance Company (home office: Carmel, IN).

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