

Benefits 101: Optional Life Insurance

What would happen to your family if you never made it home from work today? If you were to die, would they be able to continue to live in the same house - still be able to make the rent or mortgage payment? How can you be sure that you can provide for your family even after you've left this planet?

Even if you don't have a family dependent on you, there are many reasons why you should consider taking out an optional life insurance policy. Several unexpected costs arise after death such as funeral expenses and burial costs, medical expenses, and other costs that normally rise into the tens of thousands of dollars. In addition to these final expenses there are the normal costs of living to pay for. The regular monthly bills such as mortgage payments, insurance, loans, and other expenses must still be paid even though you're gone.

All of these expenses can quickly deplete your savings or retirement money and force loved ones to sell things or investments below value. You need liquid assets that can be available quickly after your death. Even high net worth individuals need life insurance because houses, property, and other investments can't be sold fast enough to provide the required assets. If your loved ones are forced to quickly sell investments such as houses, property, stocks, or mutual funds, they possibly will take a loss just to get the money.

Regions provides (company-paid) basic group term life insurance at two times your annual eligible compensation rounded to the next higher \$1,000 (maximum coverage of \$750,000). As a general rule of thumb, most financial planners recommend that you have at least two times the amount you owe on your mortgage in life insurance (depending on your total amount of debt). The brochure attached below has a worksheet to help you determine how much life insurance you may need.

In addition to making sure that you have enough coverage on yourself, you need to consider how much life insurance, if any, you may need on your spouse and children. Dual-income households should take both salaries into account when determining the amount of life insurance needed in the event of either or both spouse's deaths. Stay-at home parents and non-working spouses are often overlooked when it comes to life insurance. The loss of a stay at home spouse means that the working spouse will often have to quit their job or hire someone to take care of the children.

Optional Life Insurance and Accidental Death and Dismemberment (AD&D) are offered as voluntary (associate-paid) benefits for associates, spouses and children. You can enroll in these benefits through the online system as a new hire and during open enrollment. You must complete the MetLife Statement of Health and send it to MetLife for new or increased coverage. For this form, coverage amounts and rates, see the Life Insurance page under Associate Benefits on life@regions.

Everyone should realize the importance of periodically reviewing their insurance coverage. Any life change signals the need for a review of your overall financial plan. When it comes to life insurance coverage, you'll want to make sure that a major life event (e.g., birth of a child, children become employed, death of a spouse) won't leave you under or over insured.