

Comparing Life Insurance Policies

The First Step in Assessing Your Financial Needs

Credit Life From Ag New Mexico

Ag New Mexico provides loan protection insurance, underwritten by Minnesota Life Insurance Company, that is designed to pay off your loans should you become disabled or die. The value remains the same and does not decrease as your loan balance is paid down. The individual term life insurance plan can stay in force after the loan is repaid. There is no maximum coverage limit based on your age.

Call your Ag New Mexico branch office to learn more about credit life insurance.

When you're young, your parents try to protect you and provide you with a secure future. One way they may do this is by purchasing an affordable renewable term or whole life insurance policy.

As the years pass, you realize it is time to review your assets, investments and the cost of caring for your family, especially if something should happen to the head of the household. So, you may purchase a second life policy with a budgeted premium — one that you think will satisfy your needs. Now, with two policies, you can provide a sense of security to your family.

Then, one day, economic changes cause you to evaluate your family's future financial needs. These needs may include such items as final illness, burial costs, estate taxes, the financial security of the family and the family business.

Have Adequate Coverage

The first area to evaluate is your insurance policies. Look at the face value of all your policies, and then ask yourself if the total value will be adequate for the future. Do you need \$50,000 or \$100,000 of coverage or more? If you need more, what amount? Some financial experts say the amount of the policy needs to be five times your current annual living expenses in order to cover future

expenses and uphold your family's current standard of living.

Consider, for example, that the first policies could have been purchased 10 to 20 years ago, and the premium may have increased every year with age. Review the face value of both policies, which may be \$15,000 to \$50,000 or more. The annual premiums for these could be between \$200 and \$1,000 or higher, and may increase each year as the policy is renewed.

Compare Terms and Premiums

Now compare the premium if you purchased a 5-, 10-, 20- or 30-year renewable term policy at the same face value or higher, such as \$100,000 to \$500,000 with premiums that stay the same for the full term. That is a benefit, because even though the premium may be higher initially, it does not increase over the chosen number of years. When you compare that premium with the premium for a one-year renewable term, the savings could be substantial.

Ag New Mexico offers customers an insurance comparison service. We will compare your life insurance policies and premiums to our different life insurance products to make sure you have the best policy to meet your individual needs. Take advantage of our services and let us assist with your future financial plans.