

# Should You Keep Paying Your Life Insurance Premiums?



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Buying a life insurance policy is often a one-and-done transaction. That is, unlike the counsel of your financial advisor who works with you on an ongoing basis, buying life insurance from someone whose only focus is insurance is typically a one-time sale with little or no follow-up service after the sale. However, as your life and finances change over the years, your life insurance coverage needs to change with them. So your HBKS® advisor — who has your comprehensive financial interests in mind — will audit your life insurance policy as part of your continuing relationship.

We call it a Life Insurance Review, and it answers the following query that we hear frequently from our clients: “I have a couple of life insurance policies I purchased from an agent I haven’t talked to in years. I’m not sure I need them any more. Do I need to keep paying the premiums?” A Life Insurance Review answers that concern, and moreover, will help you ensure your coverage meets your current needs.

The review process is simple, straightforward and complimentary — we consider it part of our financial planning process. You simply authorize us to proceed and we gather the data and study the projections on your current life policy or policies. For example, a policy often can be improved with additional medical underwriting. Or converted to a long-term care policy or tax-deferred low cost annuity. A new policy could provide you with a bigger death benefit or greater potential cash accumulation, an extended period of coverage or even a lower premium. And when a policy is judged appropriate for your current protection needs, the review confirms that you are holding on to something that is a valuable asset.

What’s the likelihood a policy you took out many years ago is still suitable to your current life circumstances and financial goals? Industry statistics on reviews reveal:

- 30 percent of policies are currently optimal
- 50 percent of policies can be improved by replacement with a new policy
- 20 percent of policies can be improved substantially by replacement with a new policy

Should you keep paying the premiums on your existing life insurance policy? Please contact your dedicated HBKS® Financial Advisor for answers.

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Matthew Costigan is a principal and senior financial advisor in the Pittsburgh, Pennsylvania, office of HBKS® Wealth Advisors . He began his career in public accounting in 2003, specializing in individual and trust taxation with a Big Four firm, joined Hill, Barth & King LLC (HBK) in 2006 and then joined HBKS® in 2008. His extensive individual tax knowledge includes planning for the impact of qualified and non-qualified investments.

Mr. Costigan earned dual Bachelor of Science degrees in finance and accounting from Syracuse University. He is a Certified Public Accountant/ Personal Finance Specialist, a CERTIFIED FINANCIAL PLANNER™.

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