
5 Things that could happen to you if you are uninsured and that will happen to your family

Life insurance can be a difficult subject to talk about. It's not uncommon to hear statements such as, "That's so morbid! I don't want to talk about that!" But as we all know, we are not here on this earth forever. Furthermore, we can't determine *when* it's our time to go. The whole point of having life insurance is to have a sufficient amount of it so that it can provide for your family after your demise, especially an untimely one. And even if you do own some, studies show that those who have purchased life insurance **usually do not own enough**. 40 percent of adult Americans have no life insurance whatsoever, and over 50 million people in this country lack adequate life insurance.¹

If you happen to fall under the 40% that have no life insurance, here are just 5 things to consider and how it could affect your family and their future:

1. Having nothing to live off of

Whether or not you happen to be the breadwinner, it's possible that you both need protection, especially if you have dependents (minor children or a non-working spouse). For a married couple, most pool their incomes together to take care of daily living expenses. Imagine for a moment that the breadwinner's income completely stops coming in. How will you continue to make the routine payments and bills to run your household? In the case of the non-working spouse, who will continue to take care of your children? Have you considered how much daycare payments will cost you?

2. Racking up an enormous amount of debt

Now faced with a lack of income, you could end up turning to your credit cards just to put food on the table and now you are in "survival mode". Unfortunately, this is no way to build a solid financial future, especially while you're probably still mourning.

3. Missing mortgage or rent payments

It's no doubt that the biggest portion of your budget is going to be your mortgage or rent payments and this is an area that can soon start to be neglected. Here is a perfect example of why it's just as important to make sure you have enough coverage versus some coverage. Some people also solely rely on the life insurance that they get through work. Let's say you have coverage for \$30,000. The average funeral can cost about \$9,000.² If your mortgage payment is about \$2,400, after the funeral you've got \$21,000 left. That means that within less

than 9 months you will have gone through the entire death benefit. And this is only taking into consideration the mortgage, let alone the rest of your bills, so the time frame is probably much shorter. It's no surprise that this situation could easily end up in foreclosure.

4. Children's college plans and dreams could suffer

Without life insurance and a legacy to leave behind, it's possible that your children's college plans can not be adequately funded. With the cost of higher education rising much faster than inflation, your children may have a difficult time saving for their educational future thus affecting their options.

5. You may not qualify any longer

When it comes to financial planning, one of the biggest hindrances is procrastination. Many people fail to give the proper time and attention to plan for their future. Saying, "I'll think about it" or "I don't need that now" can give way to disaster. Imagine during the waiting period you develop some terminally ill sickness. In most cases, depending on what it is, you are automatically uninsurable. That means no company will qualify you to apply for insurance. So the key thing is to do it when you're young and healthy, while your premium rates are lower.

As morbid as the subject of death can be, it is actually a much disastrous painted picture for the loved ones that are left behind. Take the time to have an open and realistic discussion about life insurance and what it could do for your family's future. Then you can begin to experience piece of mind knowing that you're doing your best to protect them.

¹ J.D. Power & Associates. "Too Many People Lack Adequate Life Insurance Coverage". Web. 02 Feb. 2012

² www.thefuneralsite.com "Funeral Costs - a detailed price breakdown"

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