

## Issue Brief: Do Singles Need Life Insurance?

While it may appear there is little need for a person with no partner and no dependents to purchase life insurance, a closer look reveals that it is not such an open and shut case. Most people do not intend to stay single forever, and many plan on having kids someday. One very tangible benefit of buying insurance when you are young and in peak health is that you are protecting your insurability. As you develop medical conditions, you will find that premiums will become more expensive, or worse yet, you may be completely uninsurable.

Purchasing a larger-than-needed term policy that is coupled with a conversion feature is a legitimate option that allows you to convert term insurance into permanent insurance even if your health condition changes. Essentially, you are purchasing an inexpensive option that could become extremely valuable in certain situations.

Finally, if you have a high level of disposable income, there are some situations where a cash-value life insurance policy could be appropriate. However, nearly all cash-value policies that are purchased are less than optimal due to the commission-driven nature of the insurance industry. Without first working with a fee-only life insurance advisor, you should be hesitant to purchase a cash-value life insurance policy, no matter what your level of income.