

## Life Insurance Considerations for Empty Nesters

Once your children have left the nest, a lot of things will change. You will find your grocery list looks a lot shorter, your electric bill a lot brighter, and your water bill requires fewer liquid assets to pay it each month. But what does that mean for your life insurance? Should your life insurance coverage look different when you no longer have kids in the roost?

When you initially purchased your life insurance policy, you determined the death benefit that best fit your needs at that time in your life. Your death benefit may have included enough funds to pay off your mortgage, pay your children's tuition costs, pay off credit card and personal debts, and generally provide for your family when you no longer could. But how much of that death benefit is still necessary now that the kids are out of the house and on their own? The answer to this question depends on several factors.

1. **What is your current debt?** If your debt is the same or more than it was when you initially took out the life insurance policy, chances are your death benefit is still on track. Many people even find their debt increases when their children go away to college because they use the equity in their home to help pay their children's tuition and living expenses.
2. **How do your retirement funds look?** If you have been lax about putting enough away for retirement to actually meet your goals, then your spouse may need the money from your life insurance to support them during retirement if something were to happen to you.
3. **Has your child really finished school?** If your children have yet to graduate from college, or if they plan on getting a graduate degree, then you may want to maintain your coverage.
4. **Would your family benefit from a life insurance trust?** If your spouse has no need for some or all of your death benefit, and your children are done with school or have scholarships, you might consider keeping your death benefit intact and creating a trust for the funds. The trust can be used to fund your children's weddings, your spouse's long-term care needs, your grandchildren's tuitions—just about anything you can think of, if something were to happen to you.
5. **Will your family need help paying estate taxes?** If your estate will be subject to estate taxes after your death, then your life insurance benefit can help offset those expenses. Life insurance death benefit proceeds do not go through probate if they are left to a named beneficiary.

So remember, you may be able to reduce your life insurance coverage after your children leave home, but you should always make sure you examine every angle of potential financial need before you take that step. You should call your life insurance professional to discuss your personal situation.