



Life insurance covers more...

It is believed by some that the only purpose for life insurance is to cover burial expenses. Consider this: Life insurance is a vital part of a family's financial protection. However, many people believe that they don't really need much life insurance. According to the 2010 funeral price survey by the National Funeral Directors Association, the average cost for an adult funeral is \$7,775. This price does not include cemetery costs. Therefore, typical funeral and burial costs could likely be \$9,000 to \$10,000. This is only one expense that occurs when a person dies.

Life insurance proceeds can be used for many things other than paying funeral expenses. They may be used to repay debts such as car loans, student loans, credit card debts, mortgages and other types of loans. The proceeds may also be used to pay legal fees, estate fees and final income taxes. In addition, medical expenses that may have accumulated prior to a person's death may be left for the family to pay. These expenses could put a financial strain on the surviving family members.

The proceeds of a life insurance policy can help to replace the person's income and help his or her family maintain their standard of living. The proceeds may be used to cover the transitional period after death, including child-care coverage, homemaking help or training for a surviving spouse. For example, the family members may have to pay other people for the tasks the deceased person did, such as taking care of the yard or house or caring for children or an older relative.

When considering life insurance protection, the letter carrier must examine many factors including age, marital status, children and the family's financial situation. If a member has children, he or she should consider purchasing enough life insurance so that the proceeds may be used for sending the children to college or for special training for a trade. These expenses can be a great financial obligation to the surviving family members.

Another consideration when purchasing life insurance is providing for a surviving spouse. Most people want to keep their spouse at the same standard of living after their death as when they were living. A life insurance policy may be the perfect vehicle to use for added security. The amount of funds required to meet the surviving spouse's financial needs should be estimated when determining

the amount of extra protection. Some financial needs are mortgage or rent payments, medical expenses, food, household bills, insurance (medical and life) and other general costs of living.

Some people may even use their life insurance proceeds to cover the expenses of keeping the family's small business afloat or as a charitable contribution to their church or favorite charity. The bottom line is that if someone depends on you financially, you need life insurance. The money your beneficiary receives can cover daily living expenses, outstanding loans, tuition, health care, and help the family avoid going into debt. Having life insurance could mean that your family won't have to sell assets that you took a lifetime to build, to pay taxes or bills.

The United States Letter Carriers Mutual Benefit Association (MBA) has several different life insurance products that are available to every member of the National Association of Letter Carriers. We also issue policies to the NALC member's spouse, children, grandchildren, and even great-grandchildren.

The application process is easy. The NALC member must complete and sign a life insurance application and return it to the MBA office. You may choose to pay the premiums for the policy on an annual or monthly basis. You may also choose the convenience of biweekly payroll deduction from your Postal Service paycheck.

The MBA offers the following life insurance plans:

- MBA 10-Year Renewable and Convertible Term Life
- Independence (Single Premium Whole Life)
- MBA Life Paid Up in 20 Years
- MBA Life Paid Up at Age 65
- MBA Life Paid Up at Age 90
- MBA Universal Life

For information on the life insurance plans offered by the MBA, please contact our office Monday through Friday, 8 a.m. to 3:30 p.m. at 202-638-4318, or you may call toll-free on Tuesdays and Thursdays at 800-424-5184. Our representatives will be happy to answer questions and send you brochures and applications for the plans of insurance that we offer.

Note: MBA rep training registration forms have been mailed. 