As you begin the new year, it is the perfect time to review your family’s financial position. Financial readiness is the best strategy for any family. Your financial plan should encompass both short- and long-term goals while including financial contingencies to address both stable and challenging times.

The need for life insurance is an important part of a family’s financial planning. Adequate family protection requires having assets to settle all of your financial obligations. When determining the amount of insurance that an individual requires, the individual must take into consideration his or her own unique family needs. Some items that should be considered are:

- Funeral expenses
- Monthly family living expenses
- Medical bills associated with a death not covered by medical health care insurance
- Monthly income available to your family after your death
- Monthly Social Security survivor benefits available to your family
- Monthly survivor’s benefits payable from your retirement plan
- Surviving spouse’s salary or pension
- Savings and investment accounts

An important thing to remember is that life insurance necessities change over time. As your family’s expenses change, your insurance policies should be reviewed to make sure that you have enough life insurance protection.

While all life insurance policies agree to pay an amount of money upon the death of the insured, not all types of insurance policies are the same. Some policies provide permanent coverage, while others provide temporary coverage. Here is a brief description of the two most common types of life insurance:

- **Term insurance**—provides basic coverage for a specified time limit and benefit amount. The amount of premium paid is constant during the term of the policy contract and there is no cash value. This type of insurance is inexpensive during early career years. Premiums generally increase each time the policy contract is renewed.
- **Whole life insurance**—the coverage period is for the insured’s whole life. The amount of premium is set and does not increase over time. The premiums are often higher than term insurance with a comparable payout during the early working years but will be lower during the later years. Another feature of whole life insurance is that the policies develop cash values. A portion of every premium payment goes toward building cash value. These policies allow the policy owner to borrow against the cash value, should the need for cash arise.

The MBA offers both types of insurance policies, including:

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

MBA life insurance policies are available to the NALC member, spouse, child, step-child, grandchild, step-grandchild, great-grandchild and step-great-grandchild. The MBA will provide insurance for any individual up to $100,000.

There are some very important things to remember when you have a life insurance policy:

- **Read your life insurance policy.** Make sure that you understand the basic provisions and benefits of your policy. Possible misconceptions relating to your policy can be avoided if the written contract is read carefully. If you have any questions regarding the policy, contact the insurance company for an explanation.
- **Designate a beneficiary.** To avoid delays and complications with a death benefit, make sure a beneficiary is designated on your policies. Periodically review your beneficiary designation. You can modify your beneficiary at any time to reflect changes in your life. You may also designate a contingent beneficiary to be paid the benefits of a policy in the event of the death of the primary beneficiary.
- **Keep your policy in a safe place.** Your policy should be easily accessible to you and your beneficiary(ies). Make sure that your beneficiary(ies) knows where your policies are kept. As a safeguard, keep a separate record of all of your policies.
- **Replace a lost or destroyed policy.** As a policy owner, you can request, in writing, a copy of a lost or destroyed life insurance policy.
- **Keep your insurance company apprised of your current address.** It is important that an insurance company have your current address so that they can communicate with you regarding policy activity.
- **Discuss your insurance program with your family or other beneficiaries.** Have family members share in the planning from the outset and discuss any changes.

For more information, contact MBA toll-free at 800-424-5184 on Tuesdays and Thursdays from 8 a.m. to 3:30 p.m. ET, or call 202-638-4318 Monday through Friday.