

Myth: Everyone should buy term and invest the difference.

While this generally makes sense for most people, a permanent policy can be a better deal if you need life insurance for your entire life. Some examples would be to provide for a special needs child or to cover estate taxes. For a small percentage of the population, the cash value can also be a good investment if you need life insurance, are in a high tax bracket and have maxed out all your other tax-advantaged options.

Myth: Life insurance is really expensive.

A recent study conducted by Life Happens and LIMRA, found that 25% of Americans said they need more life insurance but only 10% planned to purchase it within the next year. The main reason given was cost, with 63% saying that it's too expensive. However, 80% of them overestimated the cost. 25% thought that a \$250k 20-year level term policy for a healthy 30-yr old would cost \$1k a year or more when it actually would cost about \$150.

Myth: You get a better deal purchasing life insurance online.

“The Internet can be a great place to research life insurance and find an agent but you actually pay the same price whether you purchase a policy online or through a human being,” says Marvin Feldman, President and CEO of life insurance non-profit organization, Life Happens. “What you don't get online is the personal service that can help you figure out how much you need, which company is likely to give you the best price based on your health situation, and what the terms on the application mean. A web site may not realize that you need coverage for your whole life due to a child with special needs or that your health won't qualify you for the rates offered by the lowest price company. Most importantly, a commission-motivated agent can help motivate you to actually get the policy as it's something very easy to procrastinate.”

Article titled *7 Myths About Life Insurance* published on June 6, 2014 in Forbes Magazine. Written by Erik Carter, JD, CFP®, a senior resident financial planner at Financial Finesse.

As an independent agency Paceline Financial LLC can represent many of the major life insurance companies. We compare the premiums at those companies to guarantee you the best premium based on your health status.