When to Review Your Life Insurance Policy

When you buy a life insurance policy, it's tempting to "set it and forget it." However, reviewing your policy at certain times may be a better strategy for ensuring your loved ones are financially protected. Most life insurance companies recommend that you review your policy annually to make sure you have the right amount of coverage and no additional needs have been overlooked.

You should review your life insurance policy…

Whenever your family changes. Marriage, divorce, birth, adoption, and death should prompt a review of your family's coverage and your beneficiary designations.

- Married couples often rely on each other's income, and a life insurance policy should reflect that – providing income replacement if one of you were to pass away.
- Upon divorce, the first thing you might want to consider is changing your beneficiary designation away from your ex-spouse. You may also want to reevaluate your coverage amount if you no longer need to provide income replacement or pay off mutual debts.
- The birth or adoption of a child brings new financial obligations. Children are expensive to raise, and if you also want to ensure that each of your children has an education fund, you'll want to update your coverage amount accordingly. You may also want to consider adding a child rider to your policy – this allows you to add on life insurance coverage for your dependent children at a low cost.

Whenever something causes a big shift in your finances. Whether the change is related to a child's medical condition, a family member developing the need for care, an inheritance, a job change, or a new home, if your finances are significantly affected, your life insurance needs are too.

- If you need to support a family member by paying for medical care or long-term care, your expenses will likely increase. This also applies if you will be caring for an aging parent in your home. With more people relying on you than your immediate family, your income is even more important to protect. By updating both your coverage amount and your beneficiary designations, you can ensure that those who rely on you financially will be taken care of even after you are gone.

    - It's not just elderly family members who may develop the need for long-term care. Up to 69% of the people turning 65 years old this year will need some level of long-term care. As you age, you may also want to consider a long-term care strategy for yourself. Navy Mutual's Flagship Whole Life plan allows you to access the death benefit early if you develop a need for assistance with two or more activities of daily living.

- If you have recently come into an inheritance, your life insurance needs may be less than your current coverage because you have an alternative source of money with which to support your family. Alternatively, you may decide to leave your life insurance as is and protect your future (and that of a beneficiary) in a different way – by creating a stream of guaranteed income through an annuity.
- Changing jobs may result in a change in your life insurance status. Leaving the military, for example, means that you no longer have SGLI and will need to consider an alternative. If you leave a civilian employer, you will lose any group coverage that was offered by your company – though you may gain access to a new group policy at your new job. Evaluate your coverage to make sure that you have enough through all combined policies.
- Buying or refinancing a house, purchasing a car, or otherwise acquiring debt is a good indicator that it's time to reevaluate your life insurance – especially if that debt will be inherited by your spouse or a cosigner after your passing. Your coverage amount should cover the amount of debt. Term insurance that lasts for the length of a mortgage or debt repayment plan will prevent your family's standard of living from suffering as a result of debt.

As you approach the end of your policy's term. If you have a term insurance policy, review your coverage as you approach the end of your term. Is your policy renewable? Do you need to maintain the same level of coverage after the term expires?

- Many insurance companies will alert you when your policy is approaching its expiration date, but being proactive and knowing what you want to do when you receive their call can save you time and ensure that you don't experience a lapse in coverage.

If your desired beneficiaries change. There are any number of reasons you may wish to change your beneficiaries, including the death of a beneficiary, a beneficiary becoming self-sufficient and no longer needing financial care, divorce or a falling out, or simply wanting to redistribute the death benefit among existing beneficiaries.

- Changing your beneficiary designations is as simple as contacting your insurer and requesting a Change of Beneficiary form. Not only does an insurance company need your beneficiaries' names and contact information, but they also need their birth dates and Social Security numbers – this helps a company locate each beneficiary quickly after the insured's death. Checking in on your beneficiary designations regularly ensures that the death benefit will protect your loved ones just the way you intend.

If you experience a change in health status (and have term insurance coverage). Whether your health improves or declines, it's worth taking a look at the fine print of your life insurance policy.

- If your health status improves, for example, if you lose weight or stop smoking, you may qualify for better premium rates than you did previously. The same is true if you stop participating in a risky habit, like scuba diving.
- If your health status declines, you do not immediately have to worry about your coverage – it will not expire until the end of the policy term – but you may want to check whether your policy has a convertibility rider, meaning that you can convert a term policy to a permanent policy without having to undergo a new medical exam.

Checking in on your policy annually also gives you a chance to ensure that your personal details, like your email address, phone number, and billing information, are accurate and that your beneficiaries' contact information is listed accurately.

If you have questions about your policy or need to update your beneficiaries, contact us at **800-628-6011** or email **CustomerService@navymutual.org**. If you want to explore additional coverage options or learn about annuities, you can schedule an appointment with a representative **here**.