

Life Insurance and Children: The Gift That Lasts a Lifetime



While adults typically purchase life insurance to replace lost income or to cover estate expenses, [juvenile life insurance](#) is often purchased to prevent a family from going into debt to pay for funeral costs, burial costs, or other expenses should the unimaginable happen and a child passes away. This peace of mind can help mitigate the financial aspects of a tragedy.

If you currently have life insurance, you understand the relief that comes with coverage. You can give that same gift to your loved ones with a policy that protects a child or grandchild. There are two ways to do this.

1. Insure your (grand)child's life and leave a legacy to *their* survivors.

Pay the gift of life insurance forward by purchasing coverage on each of your (grand)children's lives now. Depending on the coverage you choose, this can protect their adult family members from the financial responsibility that would come with the child's untimely death *or* protect their future spouses, children, and even grandchildren with coverage that lasts for their entire lifetime and would leave a legacy to their survivors.

Our [term insurance policies](#) feature a child benefit rider. For an additional \$2.50 per month, you can add \$10,000 of coverage for any unmarried, dependent children under age 21. Coverage lasts until each child turns 26 years old. Alternatively, this coverage can be converted to \$10,000 of Flagship Whole Life coverage before each child reaches age 24 – providing protection for the remainder of your child's life. New premium rates for the conversion to Flagship Whole Life coverage are dependent on the gender and age of the child at the time of conversion.

Our [Flagship Whole Life policies](#) allow Members to provide lifelong coverage to younger generations. A Member can apply for a child's or grandchild's initial policy any time before their 26th birthday, securing for them the lowest premiums possible, permanent life insurance protection, and access to apply for additional Navy Mutual products at any future age.



Members can also purchase separate Flagship Whole Life policies in amounts from \$10,000 up to \$1.5 million for any child or grandchild, with initial maximum coverage amounts based on the insured's age.

2. Make your (grand)child a [beneficiary](#) of your own life insurance policy and leave *them* a legacy.

A beneficiary is the person or legal entity that will receive the death benefit from an active life insurance policy after the insured passes away. The owner of the policy, who may also be the insured, names the beneficiary. Individuals typically choose to name the person or persons who would be most financially impacted by the insured's death – often a spouse or a child.

If you want to ensure that your immediate family is protected in the event of your own death, consider who you will be leaving behind. If you have a spouse and children, you could choose to leave the entire death benefit to your spouse so that they can use it to maintain your family's standard of living, or you could split it up between your spouse and children.

Note that minor children cannot receive a payout from a life insurance policy until they are between 18 and 21 years old, depending on the state. To ensure that minor children receive a payout, you could designate a [trust](#) as the beneficiary of your life insurance policy and give instructions for disbursing payments to your children when they reach adulthood. You could also choose to name a guardian for your children in your will, list the guardian as the beneficiary of the policy, and provide them with further instructions. Only name a guardian you completely trust to manage not only your wishes for the policy's death benefit but also the care of your children.

If your children are adults, they can easily be listed as primary beneficiaries on the policy. Once you have decided on your beneficiary designations, you can determine what percentage of the death benefit you would like to be paid to each beneficiary.

You should also have a contingency plan; if the primary beneficiary of your life insurance policy is not alive to receive the death benefit, listed secondary beneficiaries will receive the payout. If there are none, your policy's death benefit will become part of your estate and distributed as such.

Your generosity will give the children in your life a solid financial foundation and may guarantee their eligibility for Navy Mutual products in the future. For more information, connect with a Navy Mutual representative by calling **800-628-6011** or [schedule an appointment](#) at your convenience.