

## Why You Need Life Insurance Beyond SGLI



It's easy not to think too much about life insurance when you are in the military since your coverage is automatic. In fact, the **military ensures that all servicemembers are covered from day one – with \$400,000 of Servicemembers' Group Life Insurance Coverage (SGLI) and up to \$100,000 in Traumatic Injury Protection (TSGLI) – for \$25 a month.**

If \$400,000 seems like a lot of money, you are right. It is often more than enough coverage for young, single servicemembers. When you start doing the math, though, for those with a spouse, children, a mortgage, debt, and future education costs, \$400,000 does not go as far as you would think.

You may need life insurance beyond what SGLI can provide if:

- You have a spouse and/or child(ren) who depend on your income.
- You have other family members (e.g., older parents) whom you support financially.
- You have a mortgage.
- You want to send your children to private school or college.
- You want to leave an estate to your family after your passing.

### How Much Supplemental Coverage Should You Purchase?

When thinking about how much life insurance you need, think about how much money your family would need to maintain their standard of living without your income. Not only will there be the immediate cash needs of funeral and final expenses, your family members may also assume your debt, and those payments still need to be made in your absence. Long-term, you want to provide a large enough death benefit that your income is replaced and any future expenses, like education, are covered (if you have children). Determining this amount can be difficult, but you can use our [Life Insurance Needs Calculator](#) to help.



**Note:** Survivors of servicemembers who died while on active duty may be entitled to monthly survivor benefits through Dependency and Indemnity Compensation and the Survivor Benefit Plan, and survivors of any death may be entitled to benefits through Social Security. A family's additional life insurance need (beyond SGLI) should be based on monthly expenses minus monthly survivor benefit entitlements.

### When to Purchase Supplemental Life Insurance Coverage

It's in your best interest to purchase individual life insurance coverage when you are young and healthy, because that is when life insurance is the most affordable. For example, if you purchase a policy with level premiums when you are 30 years old, your rates will be much lower than if you wait until you are 40 years old to purchase the policy. Furthermore, if you were to develop any illnesses or disabilities later in life and do not have any life insurance coverage, you may find that you cannot medically qualify for insurance at all, which leaves your family unprotected after SGLI or FSGLI coverage ends. Developing a plan for post-military life insurance well before the end of your military career provides many reasonably priced options.

**Note:** If you convert your SGLI to VGLI within 240 days of leaving the service, you will not be required to undergo a medical exam. If you wish to obtain [coverage through Navy Mutual](#) without a medical exam ([Guaranteed Issue Flagship Whole Life](#)), you must apply within 120 days of separation.

Once you own an insurance plan with a company, you can often make changes to your coverage amount, retain eligibility for other products or extend eligibility to your family members, or convert your policy to another form of insurance (e.g., from term insurance to permanent insurance). Getting in while you are young, then, almost certainly will benefit you in the long run.

### Special Circumstances:

- **If you are [deploying soon](#) or have already deployed**, Navy Mutual offers a range of [life insurance plans](#), all of which feature no military service restrictions. There are no war, aviation, terrorism, or travel clauses for those on active duty.
- **If you are buying a home, getting married, having children (or all of the above)**, congratulations! With such big lifestyle changes – and the associated financial implications – it may be time to purchase additional life insurance. Navy Mutual offers a [term life plan](#) with higher coverage amounts at our lowest cost. You can also secure your children's financial future with a [whole life option](#) that builds tax-deferred cash value over time.
- **If you are [separating from the military](#)**, it is important to remember that SGLI will not follow you when you leave the service, and monthly survivor benefits through the VA and SBP may not either. When you separate, you will retain SGLI for 120 days (for free) after which your coverage expires. During this time – and for an additional year afterwards– you can convert your SGLI coverage to Veterans' Group Life Insurance (VGLI) coverage, although you will need to complete a medical exam to qualify if applying after 240 days of retiring. That being said, VGLI can become quite expensive as you age. For example, you would pay \$144 per month for \$400,000 of coverage between 50 and 54 years old, but that premium becomes \$600 a month once you turn 65. Navy Mutual offers affordable [term life coverage](#) you can keep through age 85 and [Guaranteed Issue Flagship Whole Life](#), a permanent life insurance option offered exclusively to separating servicemembers and their families.

### What About Military Spouses?



SGLI does offer the option of covering a military spouse. Family SGLI (FSGLI) provides up to \$100,000 in coverage and charges an additional monthly premium ranging from \$0.45 to \$45 depending on your age and the chosen amount of coverage. It also provides \$10,000 for each dependent child, free of charge.

Life insurance policies for employed military spouses should cover the loss of their income if they were to suddenly pass away. A death benefit for a [stay-at-home parent](#) would need to cover all future childcare expenses and any other household expenses that would arise without their presence. The \$100,000 coverage provided by FSGLI may not cover all of those costs. As with SGLI, when a servicemember separates from the military, their spouse and children will lose their FSGLI coverage. Having a supplementary life insurance plan in place ahead of time ensures a seamless transition.

Take some time to evaluate your finances and your family's needs and give your family the peace of mind that comes with knowing they will be taken care of even after you are gone. If you are interested in a consultation, you can reach a representative at [800-628-6011](tel:800-628-6011) or you can [schedule an appointment](#) at your convenience.