

## Life Insurance for Newlyweds



If you and your partner have just gotten married, or are planning a wedding, congratulations! Marriage is an exciting time – and to make it even more exciting, you get to have conversations about finances and life insurance! Don't worry – Navy Mutual is here to help make those discussions as painless as possible.

Life insurance and finances have the potential to be difficult topics of conversation. To talk about life insurance, you inevitably have to talk about the potential for death, and talking about finances can be touchy at the best of times, especially if you and your partner have different spending habits. However, these conversations offer the opportunity for you and your partner to explore your goals as a new family, talk about what your ideal household looks like, and think about what is most important when it comes to your money.

[Read more about combining finances with your partner.](#)

When it comes to life insurance, nearly [50% of Americans](#) stated that they have put off purchasing coverage that they know they need. However, [four in 10 individuals](#) who currently own life insurance regret not purchasing it sooner. By having the life insurance conversation with your partner now, you're in a better position to secure the lower premium pricing that comes with being as young and healthy as possible when you make your purchase.

Many people start to think about purchasing coverage when they have children – and we recommend you reevaluate then – but, again, purchasing as newlyweds can make it easier for you to lock in the lower premium prices that come with being younger and (possibly) in better health.

### Why is it important to get life insurance as newlyweds?

Expenses often increase in the years after two individuals combine households. This happens for a variety of reasons: wanting a larger place to live and paying more for housing and



associated utilities, expanding the family with pets and children, or taking more extravagant vacations together than were previously taken individually.

Should tragedy occur, having life insurance on each other allows the survivor to maintain the standard of living that they became accustomed to during your years together.

### **How much life insurance should newlyweds purchase?**

How much life insurance is appropriate for your family depends on your current financial situation and your projected future needs. You and your partner should consider your collective level of debt, whether you have children or hope to have them in the future, your current and expected future income, your standard of living, and other sources of income that may become accessible if one of you passes away.

Consider the following questions.

### **How much money would be necessary to pay off your current debts?**

If you and your partner share property, a vehicle, or a credit card, you are both liable for repayment, even if one of you were to pass away. If you each have debt in your own name (e.g., student loans, credit card debt), those payments will still need to be remitted after death. Life insurance – enough to pay off individual and joint debt – can prevent foreclosures, repossessions, and visits from collection agencies, while minimizing financial hardship for the survivor.

### **How much money would be necessary to pay for [funeral and burial services](#)?**

Depending on your and your partner's preferences, a funeral and/or burial service could cost over \$10,000. Planning a memorial service is painful enough without worrying about money. Having proceeds from an insurance policy in hand simplifies the planning process.

**Note:** If a servicemember were to pass away on active duty, their survivor(s) would receive a \$100,000 death gratuity that is available for immediate costs, plus the death benefit from the servicemember's Servicemembers' Group Life Insurance (SGLI) policy. If the spouse of an active duty servicemember were to pass away *and* the spouse was covered by Family SGLI, that death benefit would become payable to the servicemember.

### **How much money would be necessary to replace future income?**

If you and your partner rely on each other's income to pay the bills and maintain your standard of living, consider the amount of life insurance that would be necessary to replace the amount of income that would be lost if one of you were to pass away. In other words, how many years of income will you miss out on if your partner can no longer contribute to your combined income?

### **How much money would be necessary to replace [household contributions](#)?**

You or your partner may provide services that would otherwise have to be paid for, including cooking, cleaning, and other chores; childcare and pet care; and serving as the family's private driver. Consider what tasks can be assumed by the survivor and what tasks would need to be outsourced and paid for.



Life insurance provides peace of mind now and protection in the future. Purchasing two policies – one on each of your lives – allows you to customize each policy’s coverage amount to the current and future household contributions of each partner. This makes it easier for the survivor to stay in your current home, pay the bills and otherwise support themselves, and plan for the future without trying to maintain your current joint standard of living on a single salary. Having life insurance in place also gives the survivor time to grieve in peace before having to handle complex finances and return to work (or find a job if they were previously at home).

Use our [Basic Life Insurance Calculator](#) to estimate how much coverage you need to provide the level of financial protection you want for yourself and your partner.

## Other Considerations

Active duty servicemembers are unlikely to stay on active duty *forever*, and therefore will lose their SGLI coverage (and the FSGLI coverage that supplements it) at some point. SGLI, which provides up to \$400,000 of coverage, expires 120 days after a servicemember separates from the military. FGLI, which provides up to \$100,000 of coverage, expires upon separation.

If you and your partner have not made other arrangements, such as purchasing non-governmental life insurance while SGLI and FSGLI are active or converting SGLI coverage to Veterans’ Group Life Insurance (VGLI) coverage soon after separating, you may be left without any coverage.

Servicemembers can lock in low prices and avoid the increasing expenses associated with VGLI by applying for additional life insurance coverage now. Spouses are also encouraged to lock in the lower premium prices that typically come with being young and healthy at the time of purchase. Once you have an insurance policy with a non-governmental company, you can often make changes to your coverage amount, retain eligibility for other products, extend eligibility to your family members, or convert your policy to another form of insurance (e.g., from term insurance to permanent insurance). Getting coverage while you are still relatively young and healthy will almost certainly benefit you in the long run.

Remember, [if your needs change](#), you can usually get more coverage once you are insured. We recommend that you review your policy annually to make sure that you have the right amount of coverage for your family.

If you and your new spouse have decided to explore Navy Mutual’s life insurance options, our representatives can help. We’re available to answer any questions you may have about coverage type, coverage amount, and how best to protect your family. Give us a call at [888-300-9331](tel:888-300-9331) or [schedule an appointment](#) to learn more.