

Understanding Family SGLI: Is It Enough?



Upon joining the military, a servicemember is automatically provided with \$500,000 of Servicemembers' Group Life Insurance (SGLI) coverage unless they opt out of the program or decide to decrease their coverage amount. This provides peace of mind to their loved ones, ensuring that they would be taken care of should anything happen during the servicemember's term of military service.

[Family SGLI](#), or FSGLI, extends a military member's SGLI coverage to their spouse and dependent children. Spouses are eligible for up to \$100,000 of coverage, not to exceed the servicemember's coverage if they opted for less than the full coverage amount; children can each obtain \$10,000 of coverage.

FSGLI coverage is not mandatory, but it is automatic once a servicemember's family is registered with the Defense Enrollment Eligibility Reporting System (DEERS). While child coverage is free of charge, spouse coverage does require a premium payment that is based on the spouse's age and the coverage amount chosen. This amount is typically deducted automatically from a servicemember's pay.

Note: Spouses can expect their premiums to range from \$4.50 per month to \$45.00 per month, depending on their age.

For a child, FSGLI coverage lasts until they turn 18 years old. However, if the child is a full-time student between 18 and 22 years old or if the child becomes completely and permanently disabled before reaching their 18th birthday, coverage may be extended.

Spousal FSGLI coverage typically lasts until 120 days after their servicemember leaves active duty. However, other circumstances may cause FSGLI coverage to terminate, including divorce, the death of the sponsoring servicemember, written notice to end FSGLI coverage, and written notice to end the sponsoring servicemember's SGLI coverage. Spouses are able to convert



their coverage to permanent individual coverage within 120 days of one of the aforementioned events. More information can be found [here](#).

Does FSGLI offer enough coverage to children?

The downside of FSGLI coverage for children is that, for the most part, it expires when a child turns 18 years old and – unlike spousal coverage – it is not convertible to any other type of policy.

There are three reasons why you may want to consider purchasing additional [life insurance coverage for your children](#):

1. **Guaranteed Insurability:** Because most life insurance policies for children are permanent policies, you protect their future insurability when you purchase one. This means that if something happens when they are older that would prevent them from obtaining new coverage (e.g., they develop a medical condition), they already have coverage in place.
2. **Affordability:** Life insurance is typically most affordable for young, healthy people. Furthermore, initial life insurance coverage needs for children are low because they do not yet have dependents relying on their income. Health, age, and level of coverage combine to make children's life insurance affordable for many families. Premiums for permanent policies are typically level, meaning they do not increase as your child ages, and those premiums will almost never be lower than they are right now.
3. **Cash Value:** Most permanent insurance policies include an element separate from the death benefit called "cash value." This cash value can be borrowed against for various financial needs, like education expenses or mortgage payments, or is available upon the termination of the policy. By purchasing a permanent insurance policy when your child is young, the cash value of the policy has the ability to grow and earn interest for a significant period of time.

Does FSGLI offer enough coverage to military spouses?

The appropriate coverage amount depends on an individual family's needs. However, \$100,000 is a relatively low amount when it comes to life insurance coverage. Life insurance policies for employed military spouses should cover the loss of their income (for each year before their retirement) if they were to suddenly pass away. Policies for [stay-at-home parents](#) typically need to cover all future childcare expenses and any other household expenses that would arise without their presence. Both employed and stay-at-home spouses should have enough coverage to pay off their personal debts and cover their funeral arrangements. The \$100,000 provided by FSGLI may not be enough to pay for all of those costs.

Remember, too, that FSGLI coverage does not continue beyond 120 days after a servicemember separates from active duty – and while the policies can be converted to permanent coverage, this may come with significant expense. Purchasing coverage outside of what is offered through FSGLI can ensure that a spouse's coverage needs are met while their servicemember is on active duty and afterward.

Regardless of whether [term or permanent coverage](#) is chosen, premiums are rarely more affordable than they are now – when a spouse is young and healthy. Locking in coverage while their servicemember is still on active duty allows a spouse to enjoy cheaper premiums than



they would if they waited until their servicemember separates, and provides the peace of mind that comes with having extra coverage.

Navy Mutual's term and permanent policies are available to military spouses and offer up to \$1.5 million in coverage; we also cover dependent children. If you are interested in learning more about what we have to offer, call [888-300-9331](tel:888-300-9331) or [get a quote](#) online.