

Life Insurance for Children



When people think about life insurance, they often think about protecting their families from financial hardships that might accompany their passing, but it's not just the family breadwinner who should consider insurance coverage. In fact, more and more people are starting to think about juvenile life insurance. According to LIMRA's [2020 Insurance Barometer Study](#):

- 60% of survey respondents think that juveniles need life insurance,
- 15% of adult survey respondents stated that they have already purchased juvenile life insurance for a child or a grandchild, and
- 13% of survey respondents indicated that they wanted to purchase juvenile life insurance in the next 12 months.

What exactly is juvenile life insurance?

Juvenile life insurance is life insurance coverage for children. 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 or burial costs, college loans, or other expenses should the unimaginable happen. This peace of mind can help alleviate the financial aspects of a tragedy.

Besides protecting the family financially, there are three other reasons you should consider insuring your children or grandchildren while they are young:

1. Guaranteed Insurability: Because most life insurance policies for children are permanent policies, by purchasing one, you are protecting their future insurability. This means that if something happens when



they are older that would prevent them from being covered (e.g., they develop a medical condition or pick up a hobby deemed “risky” by a life insurance company), they already have coverage in place. Note: If your family members have a history of certain medical conditions (e.g., cancer, heart disease, or any illness that would prevent your child from obtaining insurance coverage later in life), it may be wise to purchase insurance when your child is young and healthy to provide them with protection as they age.

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. Remember, premiums for permanent policies are typically level, meaning they do not increase as your child ages, and those premiums will never be as low as they are right now.

3. Cash Value: Again, because most juvenile life insurance policies are permanent insurance policies, they 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.

Is there any reason I should not buy juvenile life insurance coverage?

If you are choosing between life insurance for the family breadwinner and life insurance for a child, the breadwinner takes priority. A child does not contribute to a household financially, so you should prioritize insurance coverage that allows you to maintain your family’s standard of living should a parent pass away before you think about insuring a child’s life.

That said, life insurance for children is often inexpensive, and if it fits in your budget, it’s well worth the investment to provide peace of mind for your family.

Does Navy Mutual offer juvenile life insurance coverage?

At Navy Mutual, we offer [whole life protection](#) to children and grandchildren (up to age 26) of Members. Depending on the age of the insured child, maximum initial coverage amounts vary from \$250,000 to \$1.5 million. You must elect at a minimum of \$10,000 in coverage. All juvenile whole life policies provide:

- The lowest locked-in premium based on the youngest issue age possible,
- The advantage of tax-deferred cash value compounding over many years,
- A lifetime of potential growth, which may be a valuable asset to estate planning,
- The security of permanent life insurance protection, and
- Access to purchase additional Navy Mutual products for the rest of their lifetime.

We also offer a Child Benefit Rider on two of our term life insurance policies. If you have a [Flex Term](#) or [Level II Plus Term](#) policy, for just \$2.50 more than you already pay per month, you may be able to add \$10,000 of coverage for your unmarried, dependent child(ren) up to age 26. Child coverage lasts



until your term expires, and your application for juvenile coverage must be submitted before each child's 21st birthday.

This month, we are encouraging you to [Insure Your Love](#). If you are interested in learning more about life insurance coverage for your dependent children or your grandchildren, you can reach a representative at **800-628-6011** or [schedule an appointment](#) at your convenience.