

Why You Should Buy Life Insurance When You Are Young



Life insurance is rarely a concern to those who are young, healthy, single, and without children, and why would it be? Young, healthy people do not spend their time thinking about death, and those who are single and without kids generally do not think about any burden on those they would leave behind, since there are no dependents in the picture yet. It sounds like these are all reasons why it would be okay to wait on purchasing life insurance, but really, these are all the reasons that you *should* purchase life insurance.

As it stands, [nearly 40% of people under the age of 25 already have life insurance coverage](#). Are you a part of that statistic? If not, it may be time to explore your options. Here is why:

The younger you are, the healthier you are. Life insurance is a health-based product, and many of us will develop health conditions as we age. Most life insurance companies will ask you to undergo a medical examination with your application depending on your age and amount of coverage requested. It is important that you are as fit as can be when you apply, so that you qualify for the best rates. Unfortunately, many people don't think of life insurance until it becomes abundantly clear that they need it – and that may come later in life with a health history to match. This is also true if you are healthy, but have a family history of a chronic illness; applying when you are young can give you a leg up in getting and maintaining coverage.

- **Tip:** If you are in the military and already meeting your branch's fitness requirements, you may want to consider applying for a life insurance policy to supplement your SGLI. (Remember, SGLI will not carry over beyond your period of service.) Waiting until you leave the service means



that you are allowing time for potentially disqualifying medical issues to arise. Regardless of your timing, Navy Mutual has options for you.

Life insurance premiums are cheaper when you are younger. Life insurance is also an age-based product. Life insurance companies want you to live a long and healthy life, prolonging the need to pay out a death benefit. When you are young, your risk of passing on any given day is much lower than when you are elderly. Accordingly, life insurance premiums reflect this risk assessment, with more affordable options when you are young and more expensive options as you age. Furthermore, most people do not *need* to buy life insurance when they are elderly. At that age, few people are relying on you and you have likely already paid off your long-term expenses.

- **Fact:** According to Policygenius, [life insurance premiums rise by 8%–10% each year](#) you put off buying coverage. The best time to act is now.

Young people tend to have more debt. Protect your loved ones from your debt(s) in the event of your passing, on day one of debt accumulation. The younger you are, the more likely you are to have some sort of debt, whether it's student loan debt, credit card debt, or debt related to car payments or a mortgage. While your loved ones could simply sell a car after your death, other types of debt are not so easy to get rid of. The value of your estate will be used to settle any outstanding debt after your death, but if your net worth is not enough, your beneficiary may be responsible for mortgage or apartment rental payments, your parents (or another cosigner) may have to handle your student loans, and a joint account holder or family member may have to pay off your credit card debt. Ensuring you have enough life insurance to – at a minimum – pay off all your outstanding debt could protect your loved ones from facing these financial burdens alone. If you pass unexpectedly in your 30s or 40s and have no life insurance, these types of costs will likely impact your family.

- **Note:** Federal student loans are discharged upon the death of the student. Many private student loans, however, do not offer death discharges. If you had a loved one act as a cosigner on a private student loan, they could be on the hook for making future payments. Talk to your loan servicer(s) to learn more about their policies.

Getting life insurance while you are young will give you the peace of mind that comes with knowing your loved ones are protected in the event of your death. Whether you choose a [term life policy](#) that will protect your family for up to 30 years or a [permanent policy](#) that guarantees a payout upon your passing, you can take steps now to protect their futures.

- **Further benefits of choosing certain types of permanent policies:** Obtaining coverage while you are young will guarantee that your premiums are the lowest they ever will be and, should you need money in the future, Navy Mutual's Flagship Whole Life allows you to take out a low-interest loan against your policy. You could also utilize the Paid-Up Additions Rider to purchase extra paid-up additions to your policy – growing your total coverage by up to an additional \$500,000, no matter your health situation upon securing the policy.

Navy Mutual is here to help — during Life Insurance Awareness Month, and always. We proudly do everything in our power to provide life insurance, as this remains central to why our organization was created. To schedule an appointment with a representative to discuss your family's needs, [click here](#), or email us at counselor@navymutual.org.