



AMA  INSURANCE

When Is The Right Time To Buy Life Insurance?

When It Comes To Buying Life Insurance, Timing Is Everything

Your need for **life insurance** is just that, your need. Your personal circumstances—family situation, financial obligations, debt—all play a part in the type and amount of life insurance you may require. In the event of your death, a well thought out life insurance plan can help protect your loved ones from your current debts—medical student loans, credit card balances, car payment—and provide for the future needs of your dependents—ongoing living expenses, funding a child’s education. The bottom line, if you have people who depend on your income, you should have a level of life insurance coverage that protects them from financial hardship.

Why Buy Life Insurance in Residency?

Simply put, it’s affordable. One of the factors that goes into determining the premium you’re going to pay for your life insurance is age. Buying life insurance now, when you are younger, means you will spend less on coverage.

Unfortunately, now as a medical resident when income is limited and expenses continue, life insurance may seem like it won’t fit your budget. The fact is that there are affordable, quality life insurance options available to you.

Are There Budget Friendly Life Insurance Options?

Yes, **term life insurance** plan generally offers the best value for those most concerned about protecting loved ones from financial hardship. Term life insurance can provide a high amount of coverage at a lower initial premium. This is especially attractive to budget conscious medical residents.

Call Today!

888.627.5902

8am – 5pm (M-F, CST)

Schedule time to talk with an Insurance Specialists about your unique financial goals to help protect your assets, your lifestyle, and your family.

[Schedule a Call](#)

Email team@amainsure.com

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Meet Your Insurance Specialists

AMA Insurance Specialists are non-commissioned, salaried employees and have no sales quotas to meet. Their sole purpose is to serve you.

Whether you are looking for a quote, applying for coverage, waiting for an approval, or gathering information, they’re here to help you each step of the way.

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Term life insurance pays a cash benefit to your beneficiary if you die during the term of the policy. It's as straightforward as that. The more popular form of term life insurance today is level term life insurance. Most [level term life insurance](#) plans offer 10, 15 or 20 year terms and during that time your premium rate is locked in and does not change. Beyond its affordability, a level term life insurance plan allows you the flexibility of choosing a term period that works within your family's financial needs and goals—you might choose a term that continues until your children finish their education or your mortgage is paid off.

What is permanent life insurance?

Unlike term insurance that provides coverage for a certain specified period, a permanent life insurance policy can cover an individual for their entire life. Permanent life insurance policies provide a death benefit, but also build cash value as you continue to pay premiums. These policies are more expensive than term insurance and can be complex to understand. The most common permanent life insurance policies are whole life insurance, universal life insurance and variable life insurance.

Whole life insurance is designed to pay a guaranteed death benefit, but also includes a savings component to accumulate cash value. The policyholder can access the cash value while they are alive to supplement retirement income or pay for expenses associated with long term care. These are often referred to as the 'living benefits' within the policy.

Universal life insurance is different from other permanent life insurance policies. The policyholder is allowed the flexibility to adjust premium payments and death benefits at any time during the life of the policy. Universal life insurance policies have a cash value that can even be used towards premium payments. These policies tend to be the most complex to understand.

Variable life insurance is a cash value life insurance policy with an investment component. The payout amounts of the policy are determined by the performance of the underlying sub accounts within the policy. These sub accounts allow the policyholder to invest in things like stocks, bonds and mutual funds. However, variable life insurance policies can be more volatile than traditional life insurance policies as they often reflect the positive and negative shifts of the market.

How Much Life Insurance is Enough?

That depends. The amount of life insurance you buy depends on your financials goals—who you want to provide for financially and for how long. Choosing the amount of life insurance to meet your needs requires some thought, but there are some general guidelines that might help.

Often you hear people recommend that your life insurance should equal around 10 times your gross salary. While that may be an easy general idea, it doesn't account for your individual situation—your expenses and any financial resources available to your family.

Another common formula used to calculate the level of life insurance you may need requires you to take the total of your financial resources (savings, investments, spouse's income, other life insurance) and subtract the total of your financial obligations (current and future expenses such as mortgage, student loan payment, education expenses). The difference between the two numbers represents the approximate amount of life insurance to buy.

Real analysis is what will help you build a life insurance portfolio that addresses your financial needs. A *trusted insurance professional* can help you determine the type and amount of life insurance coverage you may need.

Is Residency a Good Time To Buy Life Insurance?

YES! During your residency, you will likely receive employer-provided insurance benefits. On their own, these benefits may not meet your personal need for insurance. You've invested years of your life, hundreds of thousands of dollars on your medical education, and have a potential income stream of millions of dollars. That all needs to be protected. It's important for you to consider your family's financial goals and protect them with an adequate level of insurance coverage.

Call An Insurance Specialist Today!

888.627.5902 8am – 5pm (M-F, CST)



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