

Life insurance, made simple.

A free guide to the basics, your family's needs, and questions worth asking.

You do not need to know every insurance word to take a good first step. Start with who you want to help, what they may need, and what you can afford.

What does life insurance do?

Life insurance can help people you care about pay bills after you die. It is a contract with an insurance company. The contract is called a policy.

1 Choose the plan

You apply for an amount of coverage. The company reviews the application and sets the terms if it approves you.

2 Keep it active

You make the payments the policy requires. Ask when coverage starts and what you must do to keep it.

3 Help the people you name

If you die while the policy is active, the company pays a covered claim to the people you named. The policy's rules and limits apply.

The money may help with rent, a home loan, food, child care, debts, or funeral costs.

A simple example

Picture a family with two incomes. If one parent dies, the other may still have the same rent and grocery bills. Life insurance can give that family money to help with those costs.

Six words, in plain language

01 **Premium**

The payment you make to keep your policy active.

02 **Death benefit**

The money a policy pays for a covered death claim.

03 **Beneficiary**

The person or group you name to receive that money. You can name more than one.

04 **Insured person**

The person whose life the policy covers.

05 **Cash value**

Money that may build inside some types of life insurance. It is different from the death benefit.

06 **Underwriting**

The company's review to decide whether to offer a policy, and at what price.

03 / COMMON CHOICES

Know the common choices

No one type is right for every person. Compare the job you want the plan to do and the cost you can keep paying.

Term life

Coverage for a set time

Term life lasts for a set time, such as 10, 20, or 30 years. It pays for a covered death during that time. Most term plans do not build cash value.

Ask: What happens when the term ends? Can I renew it, and what would that cost?

Whole life

Designed to last your lifetime

Whole life can last your whole life if you meet the policy's terms and make the required payments. It builds cash value. For the same death benefit, it usually costs more than term life.

Ask: Which payments and benefits are guaranteed? How much cash value is there in the early years?

Final expense

Help with final bills

Final expense is life insurance meant to help with funeral costs and other final bills. It may be a small whole life policy. Check the actual policy type. It is not the same as buying a prepaid funeral.

Ask: Is there a waiting period or a smaller payout for some deaths in the first few years?

Before you use cash value

Cash value is not free extra money. Loans charge interest. Unpaid loans and interest reduce the death benefit. Ask before taking money out.

Other plans, such as universal life, have more moving parts. Ask for a separate explanation of costs, guarantees, and what could change.

Sources: 3, 2, 7, 6, 8. See linked resources on page 8.

Start with your family's needs

There is no one right amount for every family. Use this page to start a talk, not to pick a final policy on your own.

Who counts on my income or the care I give?

Which bills would still need to be paid?

How long would my family need help?

What payment could I keep up with each month?

1. Help with monthly bills

Amount needed each month x number of months

\$ _____

2. One-time costs

Debts, final costs, child care, or other goals not counted above

\$ _____

3. Total needs

Add the first two lines

\$ _____

4. Money already set aside

Savings and current life insurance meant for these same needs

\$ _____

5. A starting gap to discuss

Total needs minus money already set aside

\$ _____

Count each cost once. Keep an emergency fund in mind. Check whether work coverage would stay with you after a job change. Discuss future costs and a budget you can keep.

A made-up example

\$2,000 a month for 12 months	\$24,000
Other costs not counted above	+ \$16,000
Total needs	\$40,000
Savings set aside for those costs	- \$10,000
Starting gap	\$30,000

These numbers are for practice. They are not a quote or a suggested coverage amount. This example covers only one year of bills. Your family may need many more years of help.

Five steps before you buy

- 1

Set a goal and a budget

List who you want to help and what bills matter most. Choose a payment you can keep making.
- 2

Compare the same things

Look at the coverage amount, how long it lasts, the payments, and the limits. Check the agent and company with your state insurance department.
- 3

Answer the application with care

Give full, true answers. Ask for help if a question is unclear. The insurer may ask about health or request records or an exam.
- 4

Read the offer

The final price or terms may differ from an early estimate. Ask when the plan starts and which claims it will not pay.
- 5

Check the policy when it arrives

Check names, benefits, payments, and dates. Ask about the time allowed to review and return it. Put reminders in place for payments.

Sources: 4, 9, 2, 5. See linked resources on page 8.

06 / QUESTIONS AND NEXT STEPS

Eight questions to ask

1. Can my payment go up?
2. When does coverage start and end?
3. Is there a waiting period or a smaller early benefit?
4. What deaths or situations are not covered?
5. What happens if I miss a payment?
6. Which values are guaranteed, and which are just examples?
7. How do the people I name file a claim?
8. What can I change later, and what would it cost?

If you already have coverage

Already have coverage? Get help comparing both plans before you replace one. Do not cancel the old plan until the new one is approved and active, and you understand what changes. New costs, limits, or review periods may apply.

Help your family find the plan

A policy is easier to use when someone knows it exists. Keep these details in a safe place. Tell a trusted person where to find them.

- ☐ The insurance company's name and claims phone number
- ☐ The policy number and where the policy is stored
- ☐ The people named to receive the money
- ☐ The agent's name and contact details
- ☐ The payment due date and how payments are made

Review the plan when your family, job, debts, or budget changes. Update contact details and the people named on the policy when needed.

Sources: 2, 5, 9, 10. See linked resources on page 8.

Answers worth knowing

1. Does no medical exam mean anyone can get a policy?

No. A plan may skip the exam but still ask health questions or check records. The company can still turn down an application. Ask what review is required.

2. Does filling out a form start my coverage?

No. A request for information or a pre-application does not start coverage. Ask the insurer when your coverage takes effect and what must happen first.

3. What is a waiting period?

Some policies pay a smaller benefit for certain deaths during an early period. The length, amount, and exceptions depend on the plan. Ask to see those rules in writing.

4. Is the coverage from my job enough?

It may help, but compare its amount with your family's needs. Ask what happens when you leave or retire, and what it costs to keep the coverage if that is allowed.

5. Can someone who stays home need life insurance?

Yes. Think about the cost of replacing child care, rides, meals, and other help that person gives. Paid income is only one part of a family's needs.

6. What if I miss a payment?

Call the company right away. There may be a short grace period to catch up. If you do not meet the policy's payment rules, coverage can end. That is called a lapse.

7. Can I name my child to receive the money?

Ask how a payment to a child would be handled. A child may not be able to receive the money directly. Your agent can explain when legal help may be needed.

8. Can I change the people named on my policy?

Often, yes, but some choices have limits. Ask the company for its change form and confirm the update. Review your choices after a birth, death, marriage, or divorce.

Bring your questions. Start with a conversation.

Timmy Thompson can help you sort through your options. Ask a question, request a free review, or start a pre-application when you are ready.

[Text 681-529-2645](tel:681-529-2645)

[Visit legacyfinancialgroupwv.com](https://www.legacyfinancialgroupwv.com)

[Ask a question or request information](#)

[Book a 30-minute conversation](#)

Serving: West Virginia, Ohio, Kentucky, Pennsylvania, South Carolina, Georgia, and Maine

Keep your worksheet for yourself. You do not need to send Social Security numbers, medical details, or account numbers to ask Timmy a general question.

Trusted sources

State sources explain general ideas; local rules and policy terms vary.

01. [NAIC: Tips for buying life insurance](#)
02. [NAIC: Life Insurance Buyer's Guide](#)
03. [NAIC: Choosing a type of life insurance](#)
04. [NAIC: Life insurance basics and needs](#)
05. [Texas Department of Insurance: Life insurance guide](#)
06. [California Department of Insurance: Life insurance guide](#)
07. [Washington Insurance Commissioner: Funeral insurance](#)
08. [South Carolina Department of Insurance: Common questions](#)
09. [West Virginia Insurance Commissioner: Life insurance brochure](#)
10. [NAIC: Life insurance roadmap](#)

This guide is for learning. It is not a quote, an offer, or a promise of coverage. Costs and rules vary by company, plan, and state. The insurer decides whether to offer a policy. Read the policy for the terms that apply to you.