

Weekly Insight
August 4, 2025

Should I Still Have Life Insurance in Retirement?

This Week's Focus

You bought life insurance to protect your family, your income, and your future. But now that future is here. You are no longer raising kids, the mortgage may be paid off, and retirement has begun. So...

Does your policy still serve a purpose?

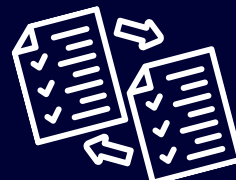
For many retirees, life insurance remains a valuable tool, but only if it is aligned with today's needs, not yesterday's fears. Whether you want to protect a spouse's lifestyle, cover final expenses, or leave behind tax-free wealth, the key is making sure your policy still supports your vision.

This week's edition helps you evaluate whether your life insurance still fits. Not by guessing, but by understanding the real roles these policies can play in a well-planned retirement.

What You Will Learn



How life insurance still matters in retirement



How term, whole, and final expense policies work today



Tax-smart ways to utilize permanent life insurance



What to review before updating your policy or beneficiaries



What Life Insurance Means in Retirement

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Why Life Insurance Still Matters After 60

You bought life insurance to protect your future, but now that future is here. So, should you keep life insurance in retirement?

For many retirees, life insurance still plays a valuable role in **one or more** of these areas:

Spousal protection

If you pass away first, will your spouse lose income? Life insurance can replace lost Social Security benefits, pensions, or RMDs.

Tax-free wealth transfer strategies

Whole life or universal life policies can pass on assets tax-free, avoiding probate and preserving your family's inheritance.

Final expenses

Funerals, medical bills, and lingering debts can add unnecessary stress. Final expense insurance can protect loved ones from sudden out-of-pocket costs.

Estate liquidity

If your estate includes property or business assets, life insurance can help your heirs avoid forced sales by covering estate costs in cash.

Understanding Policy Types in Retirement

Not all policies are created equal, especially after age 60. Here is how the most common types work:

Whole Life Insurance

Lasts your entire life and builds cash value. Whole Life Insurance can provide liquidity, support tax-free legacy transfers, or serve as an income reserve.

Term Life Insurance

Is temporary and more affordable. Term Life Insurance typically expires after 10-20 years and may no longer serve a purpose if no one depends on your income anymore.

Final Expense Insurance

Smaller, usually more economical policies designed to cover end-of-life costs. Having Final Expense Insurance is a considerable option for retirees who want to ease financial burden on their family members immediately following their absence.

Real-Life Planning Scenarios

Your life has likely changed since you first purchased life insurance.

- **Divorced or remarried:** Review your beneficiaries and check whether your policy is required under a divorce decree or needs to be reassigned.
- **Widowed:** If no one depends on your income, your policy might be better used for legacy planning or charitable giving.
- **Still working:** Life insurance may still have value as an income replacement tool if your paycheck supports your household.

What to Do Next: **Does Your Policy Still Fit *You*?**

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Life insurance is not something to “set and forget”. In retirement, policies need to evolve with your life, your relationships, your goals, and your finances. It is in your best interest to **review your coverage and your options at least once a year with a seasoned retirement professional.**

Start by asking yourself these 3 questions:

“Who Still Relies on Me Financially?”

If no one would be impacted by the loss of your income, it may be time to reduce or repurpose your coverage. But if you still have a spouse, dependents, or financial obligations, life insurance likely still serves a purpose.

“What Do I Want This Policy to Accomplish?”

Do you want to leave behind a gift, cover taxes, or create liquidity for your estate? Was your policy designed only for income protection that is no longer needed? Your answer helps determine whether your current policy type (term, whole, or final expense) is still appropriate or if changes are needed to better fit today's goals.

“When Was the Last Time I Reviewed This?”

Outdated beneficiaries. Overpriced term coverage. Policies with no remaining purpose. These are some of the most common mistakes we see and they are easily preventable. This week's demo worksheet (*see next page*) includes a checklist to help you track what policies you have, when you last reviewed them, and what updates might be needed. Utilize this tool to evaluate your current situation. Bring this page with you to your next meeting with your SFL agent to better assess how your policy meets your needs.

Reminder:

The right life insurance policy is the one that **still protects your needs today, not the needs of yesterday.** Regular policy reviews are essential to avoid gaps, outdated beneficiaries, and missed tax benefits.

You do not need to navigate this alone.

Mistake 6: Skipping Policy Reviews

Question:

When was the last time you reviewed your policy? What has changed since then?

Instructions: Use this table to track annual reviews of your life insurance policy. Note any updates needed, including changes in coverage, beneficiaries, and premium payments.

Annual Life Insurance Policy Review Checklist

Item to Review	Last Reviewed Date	Update Needed (Yes/No)	Action Plan

Notes:



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