



GOODWILL INSURANCE BROKERS L.L.C.

"Protection Against Catastrophes"



GOODWILL GUIDE TO LIFE INSURANCE



**“It’s not a question
of if I die. But
when I die, why do
I need the
money?”**

*You don’t, but your family, your
business or your favourite charity
might.*

This guide will help you understand .

E-mail us for expert advice on - gib@eim.ae

LIFE INSURANCE

- PUTTING A PRICE ON YOUR PEACE OF MIND

Life Insurance is a simple answer to a very difficult question – How will my family manage financially when I die? It’s a subject no one really wants to think about. But if someone is dependent on you financially, it’s a topic you cannot avoid.

There are many types of life insurance, but for all of them the bottom line is the same: They pay cash to your family after you die, thus ensuring your loved ones are financially secure. Life insurance payments can be used to cover daily expenses, mortgage payments, outstanding loans, college tuition and other essential expenses. Most importantly, death – benefit proceeds of a life policy are almost never subject to federal income taxes.

If you’ve worked hard to establish a strong financial framework for your family – investments, home equity, a savings plan, and retirement accounts – life insurance is the foundation upon which it rests. It can guard against the need for your loved ones to make drastic changes to their future plans when you die. Some types of life insurance even have a built – in cash – accumulation feature that can help you reach savings goals.

Life insurance in essence is a unique investment – effective for both protection and accumulation. But the real treasure with life insurance is its dual benefits – ***financial security and a peace of mind.***

INSURING THE TIMES OF YOUR LIFE

MARRIAGE – Most families depend on two incomes to make ends meet. If you died suddenly would your spouse have enough money to cover all the expenses & continue to live comfortably?

PARENTHOOD – Raising a child is truly a rewarding experience, but also an expensive one. If you died tomorrow, would your spouse have the resources to provide your children with the opportunities you always dreamed they’d have?

HOME OWNERSHIP – Like most others, your home would be your most significant financial asset. Life insurance can help pay for the mortgage, and provide funds to allow your loved ones to continue the lifestyle they are accustomed to.

RETIREMENT – If your children are independent and the mortgage is taken care of, you may feel that life insurance is needless. But if you died today, your spouse could outlive you by 10, 20 or 30 years. Would your spouse have to make drastic lifestyle adjustments to make ends meet?

HOW MUCH IS ENOUGH?

The average adult only has coverage equal to four times his or her annual income. When you consider all the things that life insurance proceeds need to fund and how long the money will be needed, you begin to realize that your true need for coverage is often 10 to 15 times your gross annual income, sometimes more.

Insurance Proceeds Can Fund Many Types Of Expenses

Immediate Expenses

- ✓ Funeral Costs
- ✓ Uncovered Medical Expenses
- ✓ Mortgage
- ✓ Car Loans
- ✓ Credit Card Debt
- ✓ Taxes
- ✓ Estate Settlement Costs

Ongoing Expenses

- ✓ Food, Housing, Utilities
- ✓ Transportation
- ✓ Health Care
- ✓ Clothing
- ✓ Insurance

Future Expenses

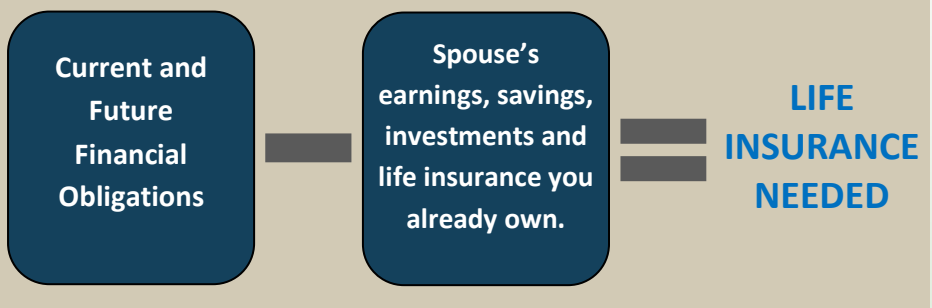
- ✓ College
- ✓ Retirement

HOW MUCH DO YOU NEED?

The most important part of buying life insurance is determining how much you need. Since everyone's financial circumstances and goals are different, there is no rule of thumb to tell you how much to buy.

To start, estimate what your family members would need after you're gone to meet immediate, ongoing and future financial obligations (*see left*). Then, add up the resources that your surviving family could draw upon to support themselves. These would include spouse's income, accumulated savings, life insurance you may already own, etc. The difference between the two is your need for additional life insurance (*see below*).

CALCULATING YOUR LIFE INSURANCE NEEDS



WHAT KIND SHOULD YOU BUY?

The most basic feature of a life insurance policy is the death benefit (*for other benefits please refer to **Goodwill Guide to Income Protection – Critical Illness Cover***): the lump-sum payment your beneficiaries would receive if you were to die. It is one of the core reasons for having such a policy – but not the only one.

There are many variations to life policies although the most common life insurance plans include:

TERM INSURANCE

This is coverage for a term of one or more years. Benefits will be paid out if you die during that period. Some term insurances can be renewed at the end of the term. The premium rates usually increase with your age at each renewal.

WHOLE LIFE INSURANCE

This gives you lifelong protection if premiums are paid. Whole of life plans generally come with level premiums, which means the premiums do not increase as you age. Life insurance premiums can be paid for a determined number of years, after which protection lasts for whole of life. Alternatively, premiums can be paid out for the duration of one's whole life.



LIFE INSURANCE TYPES - COMPARISON

	TERM INSURANCE	WHOLE LIFE INSURANCE
DEATH BENEFIT	★	★
FLEXIBLE PAYMENTS		★
INVESTED IN MARKETS		★
LOW MONTHLY COST	★	

If I had my way, I would write the word "insure" upon the door of every cottage and upon the blotting book of every public man, because I am convinced, for sacrifices so small, families and estates can be protected against catastrophes which would otherwise smash them up forever... through the death of the breadwinner, the frail boat in which the family are embarked, founders and the women and children and the estates are left to struggle in the dark waters of a friendless world.

--- Winston Churchill



It could be the most important thing you leave behind.

Whichever stage of life you're in; remember to review your coverage annually. This will help ensure your loved ones have the protection they need.

Est. in 1999, providing Corporate & Individual Insurance Solutions along with guidance on Financial Planning & Wealth Management



GOODWILL INSURANCE BROKERS LLC.

Registered (Registration Number 123) under UAE Federal Law Number 6 of 2007, and its activities in the UAE are governed by such law.

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