

# Consider These Life Insurance Resolutions For 2021

Given everything that has happened in 2020, New Year's resolutions for 2021 will likely look different this time. Sure, plenty of people will vow to lose weight—maybe more so thanks to COVID stress eating.

The pandemic also will likely prompt many to resolve to be more financially prepared for the unexpected.

A great way to protect yourself, your loved ones and your finances is to have adequate insurance coverage—especially [life insurance](#). So as you look ahead to the New Year, here are some possible life insurance resolutions.

## Buy a Life Insurance Policy

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Has buying life insurance been one of those things on your to-do list that you just haven't gotten around to doing? An estimated 41 million Americans say they need life coverage but do not have it, according to the 2020 Insurance Barometer Study by LIMRA and Life Happens, industry-funded groups.

If you have loved ones who count on you for financial support, your top resolution should be to get life insurance to protect them if something happens to you.

In fact, there's no need to wait until the New Year. Getting an affordable [term life insurance policy](#) can be fast and easy. There are online instant, [fast life](#)

[insurance options](#) available from several companies such as Bestow, Ethos, Fabric, Haven Life and Policygenius that won't require a medical exam if you're young and healthy.

For example, a 20-year Haven Term policy, issued by MassMutual, with a \$500,000 death benefit would cost about \$19 a month for a 30-year-old woman in excellent health.

If you're older or have some health issues, contact an independent life insurance broker. Brokers work with several insurance companies and will know which one can offer you the best policy at the best rate for your situation.

## Make Sure You Have Enough Life Insurance

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Even if you have life insurance, you might not have enough. As life changes so can your life insurance need, and your coverage amount may not be adequate anymore.

Resolve to check your insurance policy to verify how much coverage you have, then consider the following:

- **Do you only have a group life insurance policy through work?** If so, the death benefit—the amount the policy will pay to your beneficiaries—likely isn't enough to cover your loved ones' needs if it is equal to only one year's salary. Plus, you likely won't be able to keep this [supplemental life insurance](#) if you leave or lose your job.
- **Has your life insurance need changed since you bought your policy?** Recalculate [how much life insurance you need](#) now, such as income replacement or covering a mortgage, large debts and college tuition for children. Subtract the assets you have to cover those obligations. The difference between the two is the gap you need to fill with life insurance.
- **Evaluate your policy length.** Also take a look at whether your current policy type is going to be able to go the distance for you. Perhaps you have a

short [term life insurance](#) policy that now seems inadequate. Or perhaps your needs have evolved to a permanent life policy such as [universal life insurance](#). If your current term life policy is inadequate, you could buy a new, additional policy, or buy a larger new policy and ditch the current one. (Don't stop paying on your current policy until a new policy is issued.) Get quotes for both options to see what makes sense.

## Review the Performance of Your Policy's Cash Value

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If you have a whole life or universal life insurance policy, a portion of the premiums you pay go toward building [cash value](#). In fact, that cash value feature might have been one of the key reasons you bought the policy. But it's important to keep tabs on that cash value, especially if you've been taking cash value loans or withdrawals. The company's internal policy fees could lower the cash value enough to cause the policy to terminate. Resolve to ask your insurer or life insurance agent for an [in-force life insurance illustration](#) to see how your policy is performing and whether you need to take action to keep it in-force.

In particular, there can be [problems with indexed universal life insurance](#). The fees on the policy could be draining the cash value if it's earning a low rate of return. If the cash value drops too much, the policy could lapse.

You also might have much less cash value than you think if you've been using it to [cover premium payments](#).

## Review Your Beneficiaries

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The main point of life insurance is to provide a financial safety net for your beneficiaries if something happens to you. But the best laid life insurance plans will go wrong if you don't have the right people listed as primary and secondary beneficiaries.

It's especially important to review and update your [life insurance beneficiaries](#) if you've gotten divorced, remarried or have had children (or more children) since you took out the policy.

Or perhaps your children are now grown and no longer count on you for financial support, so you would prefer to [donate your life insurance to charity](#). Resolve to double-check your beneficiary designations. If you need to make changes, ask your insurer for a beneficiary change form.

## Make Sure Your Family Knows About Your Policy

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Some people are reluctant to discuss their finances, including life insurance. But your life insurance beneficiaries won't be able to claim the life insurance payout if they don't know the policy exists. Resolve to inform them that you've bought this protection.

Beneficiaries don't need the policy or policy number in hand to make a claim. They only need to know the name of the life insurance company in order to initiate a claim. Still, it's good to inform them of the location of the policy so they don't end up on a [hunt for lost life insurance](#).

If you don't have a copy of your policy, resolve to call your insurer to request one.

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