

Life Insurance 101: Understanding the Basics for Yourself and Your Family

The military prepares you for a lot of things, but securing the right life insurance is up to you — and it's essential to protecting your family's future. Find out how much coverage you need and which policies to choose.



What to Consider When You're Looking for Coverage



SGLI Might Not Be Enough

Members of the military are automatically enrolled in \$500,000 of Servicemembers Group Life Insurance (SGLI), paid through payroll deductions. But most military families find SGLI isn't enough to sustain them for their lifetime. Plus, coverage ends when you transition out. That makes it vital to have alternative protection in place.



Costs Increase as You Age

Mortality becomes an increasingly important topic to address as you age. Unfortunately, the older you get, the more at risk you are for having underlying health issues and, therefore, the more expensive insurance premiums can be. That's one big reason why it's smart to start protecting your family with a permanent life insurance policy now.



Let's Do the Math

When choosing your life insurance coverage, a good rule of thumb is to have a policy worth 20x your income. For example: If you're an E-5 making \$41,000 of Basic Pay per year, multiply that by 20 and compare it to the maximum SGLI coverage of \$500,000. It leaves a \$320,000 gap, not including BAS and BAH your surviving family would lose.



How Much Protection Do You Need?

Use our [Life Insurance Needs Calculator](#) to determine your family's ideal coverage. It can help you decide if you should purchase additional coverage, supplemental to SGLI or other insurance you may have, to ensure your family is fully protected against life's changes and unexpected events.

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Term or Whole Life Insurance?

While the primary purpose of owning a life insurance policy is to protect your family from the financial impact of your death, not all life insurance policies are the same. That's why it's important to understand the difference between term and whole life insurance — they are designed differently to meet specific needs.

Term life insurance is intended to replace your lost income should you die while still in your earning years, helping your loved ones continue to afford your home, pay the bills, and prepare for your children's future. As the name suggests, **whole life insurance** stays with you beyond your earning years — all the way to the end of your life, and it protects your survivors from the financial burden of your final expenses.

Other factors to consider when determining which type of life insurance to buy include your budget, age, health, and goals — and if there is a war, aviation, or terrorism clause. Many military families find that they need some of both types to be fully covered. Getting the correct coverage mix for your own situation will be based on your individual circumstances.



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Have Any Questions?

Become a Subscriber to gain access to expert insights on topics that are important to you — from getting support for your military family to building financial security. Then call **877-381-6305** to learn more about Armed Forces Mutual Membership and our Veteran life insurance options, or **get a quote now**.



How to Supplement SGLI with Another Life Insurance Policy

- 1. Assess your needs:** Consider your debts, future expenses, and family living costs.
- 2. Research:** Review different insurers and policies, focusing on coverage, costs, terms, and the company's reputation.
- 3. Consult with an expert:** Talk to an insurance advisor about your situation and options. Mention your existing SGLI coverage.
- 4. Choose a policy and apply:** Fill out an application and be ready to get a medical exam, if required.
- 5. Regularly check your coverage:** Review your supplemental coverage as your life changes to ensure you always have enough to meet your needs.
- 6. Fully replace your SGLI before you transition out of the military:** Once you leave the military your coverage options could be limited, and you don't want to have any gap.