

Darcy Bergen Explains the Benefits of Life Insurance into Retirement

Financial planner, Darcy Bergen, recommends five reasons to keep your life insurance policy after retirement.

PEORIA, AZ, UNITED STATES, September 27, 2019 /EINPresswire.com/ -- When retirement is approaching, many people wonder if they still need life insurance. It's likely that the children are grown and the mortgage is mostly, if not fully paid off. Perhaps there is also a nice lump sum of savings that has been collected throughout your life. With all of these affairs in order, why would someone choose to keep their life insurance into retirement?

[Darcy Bergen](#), Financial Planner and founder of Bergen Financial Group, explains valid reasons to maintain life insurance coverage throughout retirement as part of your financial plan.

1. Gifting Wealth to Heirs

Keeping life insurance is one of the easiest ways to pass on assets to future generations and establish a legacy. [Darcy Bergen explains](#) that if a life insurance policy is correctly set up, it can be free of income and estate taxes. This is also a great way to equalize estates among children, especially when illiquid assets are in play, such as a family business. With life insurance, it's possible to have a cash amount equal to that of a business.

2. More Cash

If it's determined that you no longer need the same high level of coverage, cash can be withdrawn from a permanent life insurance policy. Darcy Bergen explains that the money can then be added to the retirement fund. With this option, premiums are paid into the policy during the years of your career. However, it can turn into a source of retirement income along with other benefits like social security and a 401(k) plan.

3. Widow Support

Keeping a life insurance policy will provide a living spouse with support after one passes away. Financial planner [Darcy Bergen notes](#) that it can be used to pay for funeral arrangements or debt. Many people find that this provides ease of mind in retirement, knowing that life insurance benefits will help with any financial strain the family may encounter.

4. Illness



Depending on the life insurance contract, many policies allow people to access benefits before death. In the case of a chronic illness, such as Alzheimer's, the policy may help cover additional expenses where the help of medical professionals is required part of the time. Darcy Bergen explains that people who are at higher risk of particular illness should look into maintaining their life insurance.

5. Philanthropy

For those who are passionate about charitable giving, life insurance can make for an excellent retirement strategy. Financial planner Darcy Bergen explains that in the event of death, the life insurance amount can be transferred to a charity. With this option, all other assets can still be passed down to heirs. Darcy Bergen notes that this option is called a "wealth replacement."

It is always encouraged to weigh the pros and cons of maintaining life insurance. In retirement, the cost of keeping a life insurance policy is substantially more expensive due to increased age. In addition, underlying health issues may affect your eligibility.

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