

With the [federal gift and estate tax exemption](#) at \$13.61 million for 2024, far fewer families currently are affected by the estate tax.

However, life insurance remains a powerful tool to help provide for your loved ones in the event of your death. The amount of life insurance that's right for you depends on your circumstances. So, it's critical to review your life insurance needs annually in light of changing circumstances.

Reasons to Reevaluate

In addition to the estate tax exemption amount, consider reevaluating your insurance coverage if you're:

- Getting married,
- Getting divorced,
- Having children,
- Approaching retirement, or
- Facing health issues.

The right amount of insurance depends on your family's current and expected future income and expenses, as well as the amount of income your family would lose should you pass away. The events listed above can change the equation, so it's a good idea to revisit your life insurance needs as you reach these milestones.

For example, if you get married and have kids, your current and future obligations are likely to increase significantly for expenses related to childcare, mortgage, car payments, and possibly college tuition.

As you get older, your expenses may go up or down, depending on your circumstances. For example, as your children become financially independent, they'll no longer rely on you for financial support.

On the other hand, healthcare expenses for you and your spouse may increase. When you retire, you'll no longer have a salary, but you may have new sources of income from retirement plans and Social Security. You may or may not have paid off your mortgage, student loans, or other debts. Furthermore, you may or may not have accumulated sufficient wealth to provide for your family.

Many factors affect your need for life insurance, and these factors change over time. To ensure you're not over- or underinsured, reassess your insurance needs periodically — especially when your life circumstances change.

We can help you assess whether you have an adequate amount of life insurance coverage. [Reach out to us](#) for assistance.