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10 Insurance Myths To Learn Before You Buy

About Personal Insurance

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The Top Ten Insurance Myths You Need to Know!

From [Bobbie Sage](#),

Your Guide to [Personal Insurance](#).

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Myth #1: Hey, You're Paying the Premiums... Insurance Should be Bought and Used for Every Accident and Disaster.

Insurance is designed to protect one from catastrophic disasters. An insurance rule of thumb: If you can pay for the loss or damage without a financial hardship then pay it, otherwise expect your insurance premium to eventually show an increase. Also, buying every type of insurance just isn't necessary. Sometimes the risk is worth taking rather than paying a premium. Learn more at [Don't Buy Insurance You Don't Need](#)

Myth #2: If I am Alive, I Must Need Life Insurance!

Life insurance is designed to take care of one's dependants after the caregiver's death. If you have no dependants, then you probably don't need life insurance.

This includes children and retired persons... usually they don't have people that depend on their income so life insurance for these groups can, in rare instances, be beneficial but is usually unnecessary.

Myth #3: I'm the Breadwinner in the Home, So Only I Need Life Insurance.

Have you seen the cost of childcare lately? Add that along with housekeeping, food preparation, home accountant, and school transportation. From that list alone one can see how much a spouse really contributes to the household budget. It is estimated a non-working spouse contributes at least, but usually more, the equivalent of a full time job. For this reason it is important to buy life insurance for everyone in the household if the absence of their income would cause a financial hardship.

Myth #4: Whole and Universal Life are the Best Life Insurance Choices Since I Can Get My Money Back.

Term life insurance is probably the best choice for most. Term life is set for a specific term, like 10-30 years, with a much lower premium than whole and universal life. Your best bet? Buy term life and invest the premium difference in a retirement account. Learn more about Term, Universal, and Whole Life at [Life Insurance Policy Basics](#).

Myth #5: Flood Insurance is Only for People Who Live in a High Risk Area.

Everyone who lives in a National Flood Insurance Program area is eligible and can buy flood insurance. These areas are not always prone to floods so even if you think your area is low risk you may be eligible. Check with your insurance agent to learn more or find additional information at [Why didn't my policy pay for damage caused by a flood?](#)

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