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## A Graduation Present You Don't Want – Student Loan Debt

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My oldest son is a senior in high school. My wife and I are discovering the bittersweet experience of 'the lasts'; his last homecoming football game, last choir concert and last prom. Time marches on, whether we are ready or not, and new adventures await — both for him and for us.

One of these new adventures is getting a *college education*. We've had to go through tests, forms, financial aid, housing, meal plans and statements of intent; the list goes on and on. I do not remember it being this complicated when I went to college, but I am guessing that my parents might disagree.

A good education is important — and expensive. In 2019, the average tuition cost for one (1) year of college ranged from approximately [\\$25,000 to \\$50,000](#). Very few families can afford an extra \$100,000 to \$200,000 over a four-year period, so what are they supposed to do?



Student Loans aren't just for doctors and lawyers and Ivy Leaguers. A recent [article](#) on Forbes offered some telling statistics. In 2019, **44.7 million Americans** hold student loans totaling over **\$1.5 trillion in debt**. As my family is finding out, there's an endless number of options and terms and an infinite amount of information to wade through but one thing is consistent — they expect you to pay them back.

### So, what does this have to do with life insurance?

Well, one of the many terms and conditions to consider when getting a student loan is 'What happens to the outstanding debt if the borrower dies?' This is not something generally thought about when embarking on "the first day of the rest of your life", but it should be. Will this debt pass on to your parents, your future spouse and/or kids?

Will the total amount of the loan be due immediately? Even if the debt is discharged, the amount of the loan discharge is taxable, and that may result in a hefty bill.

Life insurance can be an inexpensive way to protect against adding another burden to an already tragic situation. A \$200,000 term life policy taken out on a healthy, college-age student costs about as much per month as a **dinner out** or a big, **fancy coffee** for you and a couple of friends\*. The protection that it would provide for your loved ones is priceless.

For more information on Sagicor or how any of our products can help you, please contact us at [www.sagicorlifeusa.com](http://www.sagicorlifeusa.com).

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\* This claim is based on an illustration for a Sagicor 20-Year Term Life Insurance Policy run for a 25-year-old male, issue state of Arizona, using the highest health rating of preferred plus non-tobacco and a \$200,000 death benefit. The monthly premium for this sample policy is \$13.45. The average price of a meal outside the home is \$12.75. The cost of three (3 ) large Caffè Mocha drinks is \$13.95 pre-tax.

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Sagicor is rated "A-" (Excellent) by A.M. Best Company (4th best out of 16 possible ratings). This rating is based on Sagicor's financial strength and ability to meet its ongoing obligations.

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