



CROWN MERCHANT FINANCIAL

INDEPENDENT · VETERAN-BUILT

A GUIDE FOR VETERANS & SEPARATING SERVICE MEMBERS

The Coverage That Leaves When You Do

What every veteran should understand about SGLI, VGLI, and the 240-day deadline that quietly decides what your family is actually left with.

Honest guidance from people who
have **worn the uniform.**

2026
EDITION

Your military coverage ends quietly. Most people never see it coming.

For years, **\$500,000** of life insurance has sat in the background of your pay, costing a few dollars a month and asking nothing of you. That's SGLI, and it does its job so quietly that most service members forget it's there. The problem is what happens when you take off the uniform.

When you separate, SGLI doesn't end on your last day. It rides along, free of charge, for **120 days**. Then it's gone. There is no second notice, no grace period that feels like one, and no automatic replacement. A lot of veterans don't make a decision about their coverage so much as let a deadline make it for them.

After separation, you stand in front of two doors. Behind one is **VGLI** — you keep group coverage through the VA. Behind the other is the **private market**. Most people walk through the VGLI door because it's the path of least resistance. For many veterans, that quiet default costs tens of thousands of dollars over a lifetime, and for some it ends in no coverage at all because a deadline slipped by unnoticed.

THE DEADLINES THAT DECIDE EVERYTHING

DAY 0

SGLI stays in force, **free**, exactly as it was. Nothing to do yet — but the clock has started.

DAY 120

Your no-cost SGLI extension expires. If you've done nothing, **you may now be uninsured** and not realize it.

DAY 240

Guaranteed-issue window closes. Apply for VGLI by here and you're accepted with **no medical exam and no health questions** — regardless of any condition. Miss it and that right is gone for good.

~1 YR + 120 DAYS

You can still apply for VGLI, but now health is reviewed — and **you can be turned down**.

If you remember one line from this guide, make it this: **that 240-day window is the most valuable thing you own the day you separate** — especially if you carry any service-connected condition. The rest of this guide is about using it wisely.

Why “just keep VGLI” is often the expensive choice.

VGLI is convenient, and convenience has a price. Two features of how it's built quietly work against you over the years you'll hold it.

First, VGLI is term-only. There is no cash value, no permanent option, nothing accumulating underneath it. It is pure rented protection — the day you stop paying, it disappears, with nothing to show for the premiums.

Second, and more costly: VGLI is age-banded. Your premium doesn't stay put. It climbs every five years, and the jumps get steeper the older you get — precisely when coverage matters most and your budget often has less room.

Your age	VGLI monthly premium — \$400,000
60	\$340 / mo
65	\$552 / mo
70	\$860 / mo
75	\$1,540 / mo

Based on the VA's official VGLI monthly premium rates effective July 1, 2025, for \$400,000 of coverage; the rate rises at each five-year age band. VGLI is available up to \$500,000, matching your SGLI amount at separation. Source: va.gov.

THE ALTERNATIVE MOST VETERANS NEVER PRICE OUT

A healthy non-smoker in their early 40s can often lock **\$400,000 of 20-year level term for roughly \$35–55 a month** — and that rate is **fixed for the entire term**. It does not climb every five years. Put the two side by side and VGLI isn't a flat line you're comparing against; it's a staircase that keeps rising while the locked private rate holds steady.

30–50%

For **healthy veterans under roughly age 50**, privately underwritten term life is commonly 30–50% cheaper than equivalent VGLI — with the rate locked for 10, 20, or 30 years instead of resetting upward each band. The crossover point where VGLI's guaranteed-issue value outweighs price typically lands somewhere around age 55–60, depending on health.

None of this means VGLI is a bad product. It means **defaulting** to it without comparing is what costs money. For a large share of separating veterans, the math favors locking private coverage while you're young and healthy — which brings us to the cases where it's the opposite.

When VGLI is exactly the right call.

Most pitches you'll see online stop at “private is cheaper, drop VGLI.” That advice is incomplete, and following it blindly can leave a veteran worse off. Here's the half they skip.

Private term life requires medical underwriting, and the conditions most common after service are exactly the ones underwriters scrutinize — **PTSD and other mental-health treatment, cardiac issues, and musculoskeletal injuries**. Depending on your history, a private insurer may move you to a higher rate class, or decline you outright.

That is the entire reason the 240-day guaranteed-issue window exists. If your health would make private coverage expensive or unattainable, **VGLI's no-questions acceptance is not a consolation prize — it's a genuine asset**, and securing it inside the window may be the single most important financial move of your separation.

WORTH KNOWING: VALIFE

If you have a service-connected disability rating — **any rating, from 0% to 100%** — the VA's newer **VALife** program offers guaranteed acceptance with no medical exam, available up to age 80, and it builds a modest cash value after two years. The trade-off is the cap: coverage tops out at **\$40,000**. That makes it a solid **final-expense floor** — enough to keep a funeral and immediate bills off your family — rather than full income replacement. It can sit alongside other coverage, not necessarily replace it.

THE MOVE THAT WORKS FOR A LOT OF VETERANS

Secure the guaranteed safety net inside the window — and apply for private coverage at the same time.

The 240-day window gives you breathing room. Many veterans lock in their guaranteed-issue option first so they are never uncovered, then apply for private term in parallel. If the private policy comes through at a good rate, you keep it and release the other. If it doesn't, your safety net is already in place. **You're protected either way** — which is the whole point.

The right answer isn't “VGLI” or “private.” It's the combination that fits **your** age, health, family, and budget — and the only way to know that is to run your actual numbers, not a rule of thumb.

How much you actually need — and what to do about it.

Before you compare any policy, you need a target. Here's a simple way to find roughly what your family would need if your income stopped tomorrow.

THE BACK-OF-THE-ENVELOPE NUMBER

Start with **10–12× your annual income**

then add your mortgage balance + other debts + kids' education + final expenses

then subtract any coverage you already have

= the gap your policy needs to fill

Then point yourself at the right door:

Healthy & under ~50

You want affordable protection for your family and working years.



Shop private term first. You'll likely beat VGLI on price and lock the rate for 10–30 years.

Health or service-connected conditions

And you're inside the 240-day window.



Secure guaranteed issue now. Lock VGLI (or VALife) while no exam is required, then explore private in parallel.

You need more than \$500K, or want cash value

Bigger obligations, or a permanent / wealth-building goal.



Layer or replace. Add private term on top, or look at permanent coverage VGLI simply doesn't offer.

Honestly not sure

And the clock is running.



Don't guess against a deadline. Get a side-by-side comparison before a window closes on you.



The one rule that protects you no matter what: never cancel or drop existing coverage until your new policy is fully approved and in force. A signed application is not coverage. Bridge first, switch second.

YOUR NEXT 15 MINUTES

Get your numbers run by people who served.

Crown Merchant Financial is an independent, veteran-built agency. We aren't captive to one carrier, so we can put VGLI and private options side by side and tell you honestly which fits — including when keeping VGLI is the smarter call.



Your personal coverage number

We calculate the gap your family would actually face.



A true VGLI vs. private comparison

Side by side, in real dollars, for your age and health.



Live quotes from multiple A-rated carriers

We shop the market for you instead of selling one product.



A plan that respects your deadlines

So no window closes while you're deciding.

Book your free 15-minute review

SCHEDULE	calendly.com/nquaranta-crownmerchantfinancial/30min
CALL / TEXT	(312) 203-8106
EMAIL	nquaranta@crownmerchantfinancial.com
ONLINE	crownmerchantfinancial.com



CROWN MERCHANT FINANCIAL

INDEPENDENT • VETERAN-BUILT • ON YOUR SIDE

This guide is educational information only and is not financial, tax, legal, or insurance advice, nor an offer or solicitation in any state where Crown Merchant Financial is not licensed. Premium figures are illustrative, based on the U.S. Department of Veterans Affairs' official VGLI premium rates effective July 1, 2025, and representative private-term estimates for a healthy non-smoker; actual rates and availability vary by age, health, tobacco use, coverage amount, state, carrier, and underwriting, and are not guaranteed until a policy is approved and issued. Program names, amounts, deadlines, and benefits (SGLI, VGLI, VALife) are administered by the U.S. Department of Veterans Affairs and subject to change; confirm current details at va.gov. Crown Merchant Financial is not affiliated with or endorsed by the VA or any government agency.