

# EVALUATING YOUR INSURANCE NEEDS

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## MEDICAL

### Who Needs It:

- Everybody. All family members must be covered, always...never go without medical insurance!

### Points to Consider:

- Look into an HSA Plan or a Flex Spending Account to save for future medical expenses in a tax-free account.
- Never reduce the lifetime maximum payout to lower costs...this could come in handy if major medical problems arise.

### Ways to Lower Premiums:

- Look at higher deductible plans (*or raising your coinsurance amount*) after considering your Emergency Fund and your family's current health situation.
- Also consider raising your annual copayment limit to lower premium costs.

## DENTAL

### Who Needs It:

- Just about everybody. We're living longer and eating worse...which means dental work is likely to be necessary...and it isn't cheap.

### Points to Consider:

- Look for plans that provide preventive maintenance coverage along with major dental work insurance. They know if you're coming in regularly, you most likely won't need all the major stuff for years to come, so there's a method to their madness with their low monthly rates.
- Make sure to check your medical plan, as dental benefits are often included.

### Ways to Lower Premiums:

- Look at higher deductible plans after considering your Emergency Fund and your family's current health situation.

## AUTO

### Who Needs It:

- Anybody who drives a vehicle needs to be covered at all times...never go without auto insurance!

### Points to Consider:

- Make sure you have adequate liability coverage to protect against lawsuits (*don't go cheap here as this coverage is inexpensive anyway*).

### Ways to Lower Premiums:

- Look at higher deductible plans after considering your Emergency Fund & Car Replacement Fund.
- Drop collision coverage (*if you have an older/lower value vehicle*).
- Combine home & auto insurance with one carrier for discounts.
- Ask about various discounts such as good driver, loyalty, student, alarm, multiple-car, etc.

## HOME

### Who Needs It:

- Anybody who owns a home...never put your home at risk by going without home insurance at any point in time! Those who rent should also consider "Renter's Insurance".

### Points to Consider:

- Look into higher liability limits to protect against lawsuits (*like auto insurance*).
- As your net worth increases, review umbrella policy options to provide extra liability protection.
- Get "guaranteed replacement cost" on your home's real property coverage.
- Think about all insurances such as fire, earthquake, flood, etc...according to your needs.
- If you own a Condo, make sure you have interior coverage in addition to your HOA's insurance.

### Ways to Lower Premiums:

- Look at higher deductibles after considering your Emergency Fund (*small damages can be paid by you rather than filing insurance claims and raising future premiums*).
- Combine home & auto insurance with one carrier for discounts.

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## DISABILITY

### Who Needs It:

• Anybody with others who depend on their income...do not skip this insurance as studies have proven you are more likely to need disability insurance than life insurance. The ability to work and earn a living is your greatest asset...you must protect it from disability. Get it while you can!

### Points to Consider:

• Select plans that have a minimum 5-year benefit period (*preferably benefits to age 67*) .  
• Look at acquiring a benefit amount of 65-70% of your income since disability benefits are NOT taxable (*as long as you don't write off the premiums*) .

### Ways to Lower Premiums:

• Pick longer elimination (*waiting*) periods as your Emergency Fund meets short disability needs.  
• Apply/enroll in Group or Association plans (*they're less expensive and easier to qualify for*) .

## LIFE

### Who Needs It:

• Anybody with others who depend on their income. Also included are those who perform a job that eliminates expenses (*i.e.- having an at-home parent eliminates daycare expenses*) .

### Points to Consider:

• Look for a policy benefit amount that will provide for continual income without depleting the benefit amount (*allowing the survivor's to live on the interest earnings*) .  
• Most should buy term insurance only & avoid cash value policies (*to keep investments separate*) .  
• Don't overinsure to make your survivor's rich...that's not the purpose of this insurance.

### Ways to Lower Premiums:

• Avoid riders that primarily benefit the agent (*Return of Premium, Waiver of Premium, etc.*)  
• Optimize physical health before applying (*rates vary significantly based on medical exam results*) .

## IDENTITY THEFT

### Who Needs It:

• Everybody should have some kind of credit monitoring plan in place. All family members should be considered. Kids are actually the primary targets of identity theft these days.

### Points to Consider:

• Either monitor on your own, or purchase a plan. Ensure the plan covers all identity theft, not just financial. Recent identity theft has involved medical records, not just credit cards and banks.  
• Look at restoration services if you're not comfortable fighting theft on your own. Recovering your identity can feel like taking on a second job due to the high volume of hours the process requires.

### Ways to Lower Premiums:

• Enroll your entire family (*spouse and children*) as a group plan will be much less expensive than separate, individual coverage plans.

## LONG-TERM CARE

### Who Needs It:

• Most people who are approaching the age of 60. Long-term care expenses can be extremely pricey. These costs frequently wipe out estates during old age.

### Points to Consider:

• Choose at least 5-year benefit periods, preferably lifetime benefit periods.  
• Make sure the policy you select covers nursing home, assisted living facilities, or in-home care.  
• Look at this insurance for your parents, as it will relieve you of constant care duties.

### Ways to Lower Premiums:

• Look at longer elimination (*waiting*) periods to save money on premiums.  
• Shop local carriers as rates vary nationwide.  
• Don't buy long-term care before age 60 since statistics show the need for care is usually short-term or minimal prior to this age.