

# Choosing the Right Insurance for Every Stage of Your Life

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# What is Insurance?

**Insurance** is a financial tool that shifts the cost of unexpected expenses to a third party, such as an insurance company

# Why We're Here

- 1. To stress the importance of having appropriate insurance**
- 2. To provide enough information so you can evaluate and purchase insurance wisely**

# Life Stage 1: Young & Single

## Health Insurance

- **Employer provided**
- **Private coverage**
- **Deductible: The amount of money you are required to pay before your insurance starts covering some expenses**





# Life Stage 1: Young & Single

## Disability Insurance

- **Provides some income replacement should you be temporarily unable to work**
- **Less commonly supplied by an employer, but often available for additional cost or premium**

# Life Stage 1: Young & Single

## Renter's Insurance

- Provides for some replacement of the contents or your apartment or rental property in the event of theft, fire or other loss
- Landlord's insurance does not cover your personal property
- May or may not cover personal liability



# Life Stage 1: Young & Single

## Automobile Insurance

- **Mandatory in most states**
- **Cost typically decreases as you get older**

## Life Insurance

- **Not absolutely necessary if you have no children or spouse**

## Life Stage 2: Newly Married

- **Compare both spouse's health plans**
- **Shop for the best rates on auto insurance**
  - **Consolidate with one company for multiple car discount**
- **Cancel one disability policy if one spouse will no longer be working**



# Life Stage 2: Newly Married

## Life Insurance

- **Determine how much income you would need to replace should your spouse die**
- **“Temporary Insurance”**: pays upon death
- **“Permanent Insurance”**: includes an investment component with borrowing and access privileges

## Life Stage 2: Newly Married

### Homeowner's Insurance

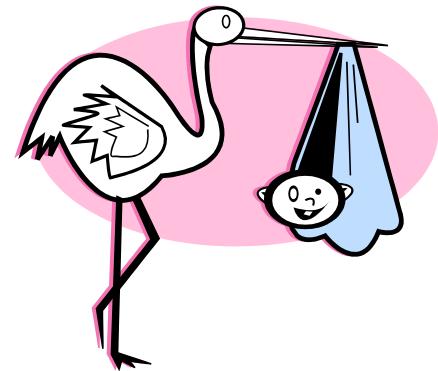
- **Based on the replacement value of your home and its contents**
- **Typically paid monthly as part of your mortgage payment**
- **May require the purchase of “riders” for jewelry, art, antiques or other high end possessions**
- **Does not cover some items such as flood or earthquake damage**
- **May or may not include liability coverage**



## Life Stage 3: “Proud Parents”

### New babies mean time for a thorough insurance review

- **Add the new addition to your health coverage within 30 days of birth**
- **Re-access life insurance**
- **Re-access your auto insurance**



## Life Stage 3: “Proud Parents”

- **Repeat your insurance review**
- **Young drivers will require auto insurance**
  - **Safe drivers are cheaper to insure**
- **Take advantage of your employer’s flexible spending plan/cafeteria plan**





## Life Stage 4: “Empty Nesters”

### Long-term Care Insurance

- **Covers some of the cost of custodial care at home, in a nursing home or in an assisted living facility**
- **Premiums are determined by age and health**
- **This is considered one of the most valuable types of insurance you can buy**
- **Experts recommend purchasing it in your 50s**





## Life Stage 5: “Retirees”

- **Medicare coverage begins at 65**
- **Medigap covers the difference between what Medicare doesn’t cover and actual expenses, less a deductible**
- **No more need for disability insurance**
- **Long-term care insurance is more important than ever**

## Life Stage 5: “Retirees”

- **Life insurance is usually necessary if you want to ensure financial security for a surviving spouse or to cover the cost of any estate taxes that may arise upon your death**
- **Ask about discounts on homeowners and auto insurance policies for seniors**

# Getting Help

[www.FPAnet.org](http://www.FPAnet.org)

800.647.6340

[www.PlannerSearch.org](http://www.PlannerSearch.org)

- Lists large number of qualified planners
- Offers multi-faceted search options including location, how planners charge, planner specialties, assets and income minimums, and last name
- Lets you easily find planners who offer a free initial consultation
- Allows quick search of planners in your geographic area
- Provides a list of questions to ask planners to help you choose a financial planner who is right for you