

The Role of Insurance in Accomplishing Our Goals

By Diane Goldman

We are all concerned about financial independence, but as women we face many unique challenges with family, careers and roles as caregivers. As a result, we often neglect our own financial affairs. However, the results of doing so could be disastrous. If you don't plan properly, all that you've worked for could be lost. Insurance can provide an excellent way to manage these risks.

One of our greatest risks is our loss of income that provides for our standard of living and long-term financial goals. Many of us don't protect against the loss of income from unexpected disability - but the statistics are not in our favor. Consider that one in seven workers will be disabled for five years or more before retirement. Or consider that a disabling injury occurs every three to four seconds. Furthermore, consider that two-thirds of all families live paycheck to paycheck or that more than 70 percent of working Americans don't have enough savings to meet short-term emergencies, let alone long-term disabilities. The unexpected can happen and the majority of us are not prepared!

If you don't have disability insurance, you should ask yourself some questions: Could I afford to live without my income? How long would my savings last? What lifestyle changes would my family have to make to accommodate the lost income? Disability insurance is the means to protect your income, your assets and your family. It should be a part of everyone's financial plan.

When it comes to protection, most of us have considered life insurance. Life insurance needs should be reviewed every five years. Consider whether the amount is adequate and whether the

type of insurance, term or permanent, still fits your plan. Also consider whether all parties that should be insured are insured. Should your life be covered to protect your loved ones? Should someone else's life be covered to protect you?

Term insurance covers a period of time and is typically purchased for specific needs. Statistically however, 99 percent of us outlive term insurance. If there is a long-term need for life insurance

consider permanent insurance. *If you don't plan properly, all that you've worked for could be lost.*

Permanent insurance pays beneficiaries at death regardless of when that death is - policy owners should make sure they understand the terms of their policy to assure it remains in force. Individuals can consider permanent whole life policies that build cash value. Policy dividends and interest grow tax deferred and cash value is available for emergencies & other needs such as college tuition or supplemental retirement income.

Business owners can use life insurance as an executive benefit or continuity & succession planning. If you are a stay at home mom, don't neglect the need to have insurance on yourself. There is a significant "human value" to what you provide to your family. Other things to consider with respect to life insurance are that product designs, pricing & medical underwriting have changed. Review your policies every five years - you may be able to get a better deal! Finally, if you have a policy that you no longer need or can afford consider the secondary market where you can sell your policy.

When looking to protect your assets, you must also consider long-term care insurance. How will you and your loved ones pay for custodial care if you cannot take care of yourself? Who will care for you? Where will that care be? When it comes to these questions, most people would like to have control and choice. Long-term care insurance is the affordable way to assure there are funds to provide for custodial care. The insurance assures that you can stay at home, avoid depending on others for care, select

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the LTC services that you want, protect your savings and assets, avoid welfare and Medicaid and leave an estate to your heirs. It also alleviates your loved ones from the emotional, physical and

financial costs of caring for us. If you are 45 or older, consider the purchase of LTC insurance. Discounts exist for husband/wife or employee groups of three or more. Group plans exist for groups of 15 or more where employees can obtain the insurance regardless of any medical conditions. Don't wait too long. Costs are inexpensive when you are young and healthy.

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