

Disability Is a Real Threat

If you're more worried about dying young (before age 65) than being disabled for an extended period, you might be giving in to false fears, or so reveals a recent MONEY/ICR survey.

According to the Society of Actuaries, there's a 13% chance that an American worker will die before 65 and a 28% probability a worker will be disabled for an extended time before that age.

But the fact that more than twice as many of us will experience disability than will die before we retire hasn't affected the opinions of insurance buyers: Only 28% of working Americans have some form of long-term disability insurance, while

three-quarters of respondents said they were concerned about protecting their family in the event of death. And roughly 50% follow through by buying life insurance. In other words, the danger of disability isn't taken seriously enough or is overshadowed by the fear of death.

If research by Harvard University law professor Elizabeth Warren reveals that "half of those declaring bankruptcy do so because of health problems or medical bills," what can you do to help



yourself? Easy: Make sure you have the proper amount of disability insurance. Consult with us to discuss your options—we're just a phone call away. v

Life Changes Should Lead to Insurance Updates

Big events don't just affect us personally—sometimes they can impact our insurance needs. To help protect you most effectively, it's important to keep us up to date on the milestones and changes in your family and business. Consider these questions:

- Have you gotten married recently? Divorced or separated?
- Have you had a child?
- Did you purchase a new home?
- Are you taking on any debt?
- Was there a job change in the

recent past?

- Are you supporting elderly parents?
- Has there been a change in your business?
- Are any of your children planning to enter college in the near future?
- Have you reconsidered your retirement planning?

We need to stay on top of your life and its many twists and turns. Call us today to talk about any recent life-changing events. We'll make sure to provide you with necessary advice and coverage. v

What Do You Know About Health Insurance?

Because we make sure that you and your family have the right health coverage, you don't necessarily have to know all the esoteric terms related to it. But, at the same time, it doesn't hurt to be a knowledgeable consumer. That's why we've compiled this list of key health insurance-related definitions (as provided by life-line.org) for you to review:

- **Balance billing.** A bill for the difference between what your insurer will pay and what the physician charges for a service.
- **Deductible.** The amount of money you must pay each year to cover your

medical care expenses before your insurance starts paying.

- **Coinsurance.** The amount that you're required to pay for medical care in a fee-for-service plan after you've met your deductible. The co-insurance rate is usually expressed as a percentage. For example, if the insurance company pays 80% of the claim, you pay 20%.

- **Exclusions.** Specific conditions or circumstances for which the policy will not provide benefits.

- **Maximum out-of-pocket.** The largest amount of money you will be required to pay a year for deductibles and coinsurance. It's a stated dollar amount set

by the insurance company, in addition to regular premiums.

- **Preexisting condition.** A health problem that existed before the date your insurance coverage became effective.

- **Primary care physician.** A primary care physician monitors your health, diagnoses and treats minor health problems, and refers you to specialists if another level of care is needed. This is often a family physician or internist, but some women prefer to use their gynecologist.

- **Provider.** Any person (doctor, nurse, dentist) or institution (hospital or clinic) that provides medical care. v

Managing Your Credit Is Easy

Your credit history is a key factor in obtaining good rates for loans, credit cards and mortgages. And many insurers now are using credit history to underwrite insurance coverage, arguing that bad credit and bad risks go hand-in-hand. With that much riding on your credit, here are some tips for managing it well:

- **Know how to check your credit.** Credit reports are provided by three major credit bureaus: Equifax, Experian and TransUnion. These agencies keep tabs on various accounts opened in your name: credit cards, bank credit lines, mortgages, department store credit cards, etc. Unfortunately, all three agencies don't have the same information. So, for a complete assessment you should get a credit report from each.

- **Know when to check it.** If you suspect credit fraud, investigate immediately and contact both the creditor and the credit reporting firm. Beyond such urgent situations, you should



check your credit report before applying for new credit and on a periodic basis to ensure that no errors have popped up.

- **Understand your credit rating score.** It's a "GPA" of your

borrowing history.

- **Dispute inaccuracies.** Because your credit record can span years of borrowing history, it's no surprise that sometimes errors turn up. Make sure that closed accounts appear closed on your report, and address any false information.

- **Mend your ways.** There's no way to delete unflattering-but-accurate information from your credit history, even though some firms promise to do so for a fee. The best way to heal your credit wounds is time. Most blunders become moot and are removed from your record in seven years. Learn from your mistakes and pay your bills on time!

For more information, call your financial advisor today. For your insurance needs, contact us when it's convenient. v

Don't Make These Financial Mistakes

We've all made bad buying decisions. But the point is not to make the same mistakes again. Here are five common errors, as outlined by a leading financial services company:

1. *Spending money while sad or emotional.* When they're down and out, some people sprint to the mall armed with credit cards. Back off from such impulse buying—it's dangerous.

2. *Casting aside or ignoring retirement.* More than half (53%) of the U.S. workforce lacks a pension. The bottom line: Sooner or later you're going to have to confront retirement.

3. *Going unprepared for the unexpected.* Accidents and death are part of life, so don't think that you're untouchable. Prepare yourself and your family. For instance, fewer than 25% of those who perished on 9/11 had left wills.

4. *Overpaying for debt.* Pay off your



creditors now! If you make only the minimum balance payment each month, you'll find yourself in a bottomless pit of debt.

5. *Not earning what you're actually worth.* Determine with your financial consultant how much money you should be making and pursue it—even if this means starting your own business. v

Expect—and Prepare for—the Worst

Imagine if something—such as a disaster or fire—made your home uninhabitable for weeks or months. Suppose you were forced to live in a hotel? Would your current insurance coverage allow you and your family to live comfortably while your home was being repaired?

The standard homeowners policy includes coverage for “additional living expenses” incurred when your home is unlivable due to a covered loss—in other words, it provides financial assistance for additional expenses incurred as a result of having to pay more to maintain your family's standard of living.

Call us today. Our service team will help you evaluate the risk and costs involved, and determine what coverage is right for you and your family. v

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Would You Be Covered in a Flood?

Sadly, many of the people whose homes were damaged or destroyed by flooding during Hurricane Katrina didn't have the necessary insurance because, like many others, they didn't think they needed it.

Too many people are under the mistaken belief that their homeowners insurance covers flood damage; it doesn't. And many others believe that unless they are in a high-risk flood area, they don't need (or can't buy) flood insurance.

According to the Federal Emergency Management Agency (FEMA), flooding causes more than \$2 billion in property damage each year. What's more, a startling 25% of flood claims come from areas that are deemed to have a low to moderate risk of flooding.

Don't worry; our service team will be happy to help you secure the proper flood insurance. Just give us a call today. v

you for your referrals.

If you're pleased with us, spread the word! We will be happy to give the same great service to all of your friends and business associates.

