

Important Points To Remember When Planning A Secure Financial Future

What's Kinds Of Things Should I Consider?



Life Insurance In Case You Die Too Soon

Whenever we envision the future, we *always* see ourselves as a part of the picture. The, reality, however, is that people die; sometimes, before they've fulfilled the obligations they assumed when they started a family. A prudent financial plan includes sufficient life insurance in order to enable a family to maintain its lifestyle after losing a breadwinner.

Lifestyle includes many things; continuing to live in the house that has been a home unencumbered by a monthly mortgage payment; sending children to the school they've long attended with their friends; a mother has not had to work outside the home and who is not forced to take outside employment following the death of a husband and father.

Life insurance makes the continuation of a family's chosen lifestyle possible when a family breadwinner dies "too soon".



Retirement Planning If You Live Too Long

While everyone foresees a future for themselves that includes a long and happy retirement, some retirees find themselves unable to leave the workforce; or, are forced to return to it when the assets, investments, and cash reserves that were meant to last a lifetime are depleted before the person's lifetime has ended. Today, the story of the senior citizen, struggling to get by with only a social security check and, perhaps, an inadequate pension, is an altogether too familiar one.

Social security was never intended to be a person's sole support in retirement. Rather, the founders of the system foresaw it to be but one part of a person's retirement income; one leg on a three-legged stool.

Company pensions, based on years of service and income, are seen as a disappearing source of retirement income as more and more companies abandon the traditional "defined benefit" retirement plan in favor of a "defined contribution" plan; i.e., a 401(k), 403(b), or similar deferred compensation plan that requires an employee to set aside a part of every paycheck into a retirement plan that grows on a tax deferred basis. When the employee retires, he/she withdraws the money from the plan and must find a way to maximize income from the plan without exhausting the principle prior to death. A company sponsored retirement plan, in whatever form it is provided, forms the second leg on the stool.

The third leg comes from an individual's personal investment and savings program. But for many people, knowing what options are available for this important piece of the plan proves elusive.

Mutual funds and annuities can provide the appropriate vehicle for these personal investments; but selecting from the multitude of plans and funds available can be a daunting task without a knowledgeable advisor who can serve as a mentor and guide.



Inability To Work Due To Illness Or Disability

When someone is unable to work due to injury or illness, very few employers will continue to send the weekly paycheck upon which the person and his/her family depends. Disability income insurance can help replace a significant part of the paycheck that is lost when a person is unable to work.

Many companies make short and long-term disability insurance available to employees through an integrated benefits plan known as a “cafeteria plan” or a “125 benefits plan”. This is often the most cost effective place to obtain this type of protection. If your employer pays the premiums, the benefits will be taxable. If your employer does not offer disability income insurance, you may want to purchase it yourself; in which case, the benefits will be tax free since you are paying the premiums.



Automobile Insurance

Your auto insurance policy protects you against a number of things. The liability coverages can pay for the medical bills incurred by someone you've hurt in an accident that was your fault; and, to repair or replace that person's car. The medical payments endorsement can pay your medical bills, and the medical bills of someone injured in your car in an accident. If you live in a “no fault” state, the personal injury protection provision pays your medical bills regardless of who was at fault in the accident. Comprehensive coverage pays for losses due to theft, vandalism, glass breakage, and vehicular fire. Collision coverage pays to repair the damage done to your car in an accident that was your fault. An uninsured motorist endorsement pays for damages incurred when the “at fault has no insurance; or, in some cases, too little insurance.



Homeowners, Renters, and Condominium Insurance

If your home was destroyed by fire; or, if your personal possessions were stolen, how would you replace them? If you have a homeowner's, condominium-owner's, or renter's insurance policy, your insurance company will provide the money to rebuild your home and replace your belongings. Similarly, if a guest is injured on your property, the liability coverage provided by these policies will pay for the economic loss suffered by your guest.



Flood, Earthquake, and Other Disasters

Some potential losses are not covered by homeowner's and similar policies. Your agent can advise you if any special coverages are required or recommended in your area.



Excess Liability or "Umbrella" Policies

When someone has been injured and contemplates a lawsuit, they may consider asking for damages that far exceed the liability limits provided by the average auto, homeowner's, condo-owner's or renter's policy. This is where an "umbrella" policy can be extremely valuable protection. It pays for damages that may be awarded by the courts in excess of the liability coverage provided by other policies. Its cost is often quite low in comparison to the protection it offers.



Long-Term Care

As people grow older, they are more likely to suffer a debilitating illness or become unable to care for themselves. Loved ones may try to care for them at home and find the task to beyond their abilities. The alternative to homecare is an assisted living facility or nursing home; but, these can be expensive. Long-Term Care insurance can help make this expense manageable and affordable.

Consumer Debt Counselors does not sell, nor does it offer to sell, insurance. We strongly recommend that you discuss your insurance needs with a licensed professional who can guide you in meeting your needs.