

# Obtain Better Life Insurance For Up to 50% Less

**Objective:** To acquire a basic understanding of the purpose of life insurance and to cut the cost of your life insurance by 50% while increasing financial protection for your family.

As you build wealth you will need adequate life insurance for you and your family. This exercise will assist you in determining how much life insurance you will need and how to get the least coverage with the greatest financial protection.

**Time Required:** One to two hours.

## Instructions:

1. Review the **Insurance Basics**.
2. Use Your **One-Minute Life Insurance Worksheet** to determine your family income.
3. After determining your income, use the **Life Insurance Planning Chart** to figure out how much insurance you need.
4. Fill out the **Life Insurance Profile** and mail it to Wealth Master Insurance Services to receive a quote for low-cost, high-face-value policies.

## Checklist

## Date Completed

**1** Review the **Insurance Basics**

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**2** Determine your current income using **Your One-Minute Life Insurance Worksheet**.

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**3** Use the **Life Insurance Planning Chart** to determine the amount of life insurance you need.

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**4** Complete and mail your **Life Insurance Profile** or complete online.

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**CAUTION: DO NOT cancel any existing insurance policies until they have been replaced with adequate coverage.**

# INSURANCE BASICS

Insurance is an important way to pay for unforeseen incidents you can't afford to cover out of pocket: a major medical bill, an auto accident, a lawsuit, a house fire or flood or long-term care. To determine what types of insurance you need, think about which incidents you realistically could afford were they to occur, and which would devastate you financially. Your goal is to save money while still maintaining enough coverage to protect you from the risk of a personal financial catastrophe. Don't let the desire to save premium dollars put your entire financial estate at risk

**Here is a list of basic policies that most people will need, check all that apply to you:**

- Health insurance
- Auto insurance (if you drive or own a vehicle)
- Life insurance (for those who provide income for dependents)
- Homeowner's or renter's insurance to cover the potential loss of property where they live.
- Disability insurance, which supplements loss of wages from extended illness or injury.
- Long-term care insurance (for those 50 and older)
- Umbrella insurance (if you have substantial assets to protect; this can usually be purchased in conjunction with your homeowner's or automobile policy)

**Once you determine what insurance is right for your financial circumstances, these General Insurance Tips will help you save on any policy:**

- Shop around.** Premium amounts can vary hundreds of dollars from company to company. When comparing prices, be sure the totals are for similar coverage and features.
- Buy multiple policies with a single carrier.** You may get a discount if you insure all of your automobiles, your home and umbrella coverage with one company.
- Increase deductibles.** Most insurance companies recommend a deductible of at least \$500 but if you can afford to raise your deductible to \$1,000, you may save 25 percent or more.
- Avoid small claims.** Some homeowner and automobile insurers raise premiums, or drop coverage entirely, on customers who file too many claims or even make inquiries about claims, however legitimate.
- Save money and protect your health, don't smoke.** Many insurers will give a discount for healthy nonsmokers. This applies to life insurance and non-group medical coverage as well as automobile and homeowner's

- ☑ **Re-shop your policy every year.** If you are paying increased rates due to a past history, ask your insurer to re-shop your policy every year. Sufficient time may have passed for you to go with a less expensive policy or carrier.
- ☑ **Ask about Group Coverage.** Large employers and alumni and business associations often work out insurance deals with an insurance company, which includes a discount for employees and members. Your Homeowner's association may also have a master policy with a company that may offer a discount for homeowners or tenants.
- ☑ **Longtime Customer Discounts.** Some insurers will reduce their premiums by 5 to 10 percent after you stay with them for three to five years or more.
- ☑ **Automatic Debit Payments.** You may save up to \$5.00 per payment per month by using electronic billing and payment. Or, your company may charge for the convenience. Either way, those few dollars multiplied by several policies per month add up to significant savings or expense.
- ☑ **Conduct a thorough review of your carrier.** A financially shaky insurance company could cost you more in the long run than what you may be saving now on cheaper premiums. Useful sources include:
  - A.M. Best ([www.ambest.com](http://www.ambest.com))
  - Standard & Poor ([www.standardandpoors.com](http://www.standardandpoors.com))
  - Your state's insurance department.
- ☑ **Don't pay twice for the same Health Insurance coverage.** Spouses covered under separate employer plans may be able to eliminate duplicating coverage by examining their benefits and determining which company offers the best and most comprehensive plan.
- ☑ **Utilize Health savings accounts.** Congress recently authorized health savings accounts for people younger than age 65 who are not covered by a traditional employer's medical plan. An HSA is a special tax-sheltered savings account for medical bills. Instead of buying high-priced insurance with low co-pays, you buy a low cost policy (with a high deductible), for the 'big' bills and save the difference — in the HSA — to cover 'small bills'. Money deposited into the account is 100% tax deductible and can be easily accessed to pay medical bills tax-free, even stuff not covered by insurance like dental and vision. What you don't use for medical bills is yours to keep--it stays in your account and keeps growing on a tax-favored basis.
- ☑ **When purchasing Disability and Long-Term Care Insurance,** you may realize substantial savings by increasing the period before benefits begin paying. **Just be sure you have adequate savings** to fund your expenses during the waiting period.
- ☑ **Purchase long-term care coverage early.** Wait until your 60s or later and you may risk not qualifying for coverage or not being able to afford the premiums. Buying at an earlier age can save money in the long run and keep you covered in the event you require care at an early age.