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Adult Children Under Parents' Healthcare

Are your children out of the house, working full-time and struggling to find a job that offers health insurance? If so, changes under new federal healthcare legislation may be the solution you and your children are looking for.

Many health plans now offer coverage for children up to age 26 under their parents' policies. It is not necessary that the child live with the parent or be financially dependent on them. The child may also be married.

On the flip side, some employers' group insurance plans that the law considers "grandfathered" may have conditions of coverage. An example is that coverage may not be available if the child has access to insurance through his or her own workplace.

If you have questions about healthcare coverage for your adult child, give our service team a call.

Calculating Retirement Needs

It's never too early to start determining how much you will need to save to retire comfortably. On the Web, you can find retirement calculators like the one at www.bloomberg.com/personal-finance/calculators/retirement/. These tools can provide a rough estimate of what you can expect your financial situation to look like upon and during retirement.

There are many components of a long-term financial plan. These include, but aren't limited to: 401(k) or similar savings accounts, stocks, bonds, life insurance, long-term care and disability insurance, and your property—both personal (your belongings) and real, such as land or commercial sites.

Beyond your assets, you have to consider your future liabilities. Those include medical care, living expenses and any debt you will have.

To build a portfolio that best meets your predicted needs, schedule a meeting with one of our professionals. We can help you integrate your financial products and solutions.

Life Insurance for Children

Parents often ask if purchasing life insurance on a child is a good idea. There are quite a few reasons why offers for childhood whole life insurance are attractive. Starting a whole life policy for a child usually guarantees that they can continue the policy throughout adulthood, meaning, even if they are diagnosed later with a condition or illness, they can't be denied life insurance.

Frequently, the insurer will guarantee that insured children can purchase higher levels when they become adults. Certain products, such as variable life and universal life insurance, couple a death benefit with a savings or investment element. The earlier the policy begins, the more time its savings portion has to grow, offering significant value to the child as he or she ages.

It's possible the insurance you currently carry on your life offers a child rider. If not, there are other options for beginning a life policy for your children. Contact us to find out more.

Disability Insurance

The Social Security Administration reports that a 20-year-old worker has a 3-in-10 chance of becoming temporarily or permanently disabled before reaching retirement age.

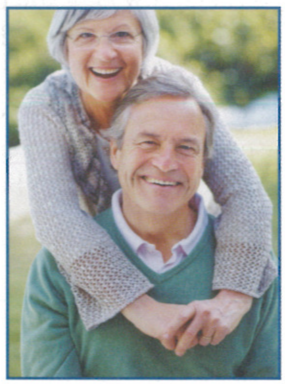
Unfortunately, the reality is that most people don't believe it can happen to them. Just 16% think there is a chance they will ever become disabled to the point of missing a significant amount of time from work. Others assume that, if they do, Social Security or an employer will pay for it. The truth is that, unless you meet Social Security's eligibility rules or the disability occurs at work, neither can be relied upon to pay your bills while you can't work.

A 20-year-old worker has a 3-in-10 chance of becoming disabled before retiring.

It's important to explore your options. First, find out if disability insurance is available through your employer. While it is likely not included in your medical insurance, many employers make disability insurance available for purchase through a group plan. This may be the best way for you to get coverage.

If that option is not available to you or you are interested in learning about other policies, give us a call. We will help you obtain estimates on several disability insurance plans.

A Sampling of Annuities



An annuity can be an excellent tool for retirement if the right one is chosen. It is an alternative to an IRA, stocks or a mutual fund and can be used in conjunction with those investment tools for a broader-based portfolio. Here are brief descriptions of the most common types of annuities:

- **Single Premium**
  This annuity is purchased with a lump-sum payment.
- **Multiple Premium**
  This annuity is purchased over time with multiple payments.
- **Immediate**
  Distribution of income payments begins no later than one year after the premium is paid.
- **Deferred**
  Distribution of income payments begins at some point in the future, sometimes many years after the annuity is purchased.
- **Fixed**
  This annuity may be immediate or deferred, and premiums—minus applicable charges—earn interest at rates set by the insurance company.
- **Variable**
  This annuity may be immediate or deferred and gives you a choice of the level of risk in which you would like your premiums—minus applicable charges—invested (e.g., stocks, bonds, other investments). Since this annuity relies on returns on investments, it is possible you could receive less than your original investment in return or, in a worst-case scenario, nothing at all.

Whole Life Insurance

Whole life insurance is an investment product that provides a payout upon the death of the insured, no matter what age. There are several forms of whole life. What they have in common is that there is a death benefit and a value that can be cashed in instead of kept for payment upon death.

Some policies accumulate their benefit value over time, meaning they are worth more the longer you hold the policy. This may leave the insured's beneficiaries with a smaller death benefit if death occurs in the early stages of the policy's life.

Whole life, coupled with other investment products, plays an important role in many investors' long-term financial plans and can be used in tandem with term life to provide a benefit even after the term life policy ends at, say, age 65. Consider how long you have to invest in a product and what you intend to use the assets for.

There are different payout amounts that you can purchase, and some policies allow you to purchase more insurance at certain intervals throughout your life. Some also give the option to buy small, irrevocable policies for children so they have a ready-made investment when they reach adulthood that they can either continue or cash in.

The death benefit often can be paid as an annuity; although, some policies allow payment in a lump sum, and—if the proper legal steps have been taken—the money can be deposited into a trust for minors.

With all the options available, it's best to work with an expert. Give us a call to talk about how whole life insurance might fit into your overall investment plan.

Have we got you covered?

Here's a quick way to let us know.

Don't forget your friends! We'd be happy to provide them great service.

Personal Perspective

Thank you for your referrals.

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

Here's the name and address of a friend who would like to receive this newsletter:

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My Name: ________________________

E-mail: __________________________

My preferred number: (____) __________

Best time to call: ____________________

Please call me about:

- ❑ My home insurance protection
- ❑ Car insurance
- ❑ Boat insurance
- ❑ Insuring my in-home business
- ❑ Personal umbrella policy

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Create a Household Budget

All the experts agree: Every effective financial plan starts with a good budget. Unfortunately, life is so busy for most folks that taking the time to plan a budget just doesn't seem to be a priority.

In other cases, budgeting can cause a great deal of stress and is, therefore, avoided altogether. Unfortunately, having no way of tracking spending often leads to more debt and, not surprisingly, more stress.

The good news is that the Web is packed with simple tools that can help you create and manage a budget. Many of these services are free.

Resources like these are essential to creating a budget that will serve as a financial foundation for your family. Such a foundation is the starting point to a more comprehensive and long-term financial plan. Stop putting it off—create a personal budget today!

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