

## Title:

9 Steps To Get Out Of Debt - Part 8

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## Summary:

Step 8 - Getting Insurance

Most people are only one major disaster or a few weeks of unemployment away from bankruptcy. If you have done all this work to get out of debt, you don't want it to all be in vain, just by one major crisis hitting you or your family. There's nothing you can do to totally protect yourself from every type of catastrophe, but there are steps you can take to significantly reduce your risk.

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## Keywords:

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## Article Body:

Step 8 - Getting Insurance

Most people are only one major disaster or a few weeks of unemployment away from bankruptcy. If you have done all this work to get out of debt, you don't want it to all be in vain, just by one major crisis hitting you or your family. There's nothing you can do to totally protect yourself from every type of catastrophe, but there are steps you can take to significantly reduce your risk.

The first half of this article is going to be on insurance, and we'll start with the type of insurance that is most likely to save you from being completely wiped out, medical insurance. This is one a lot of people choose not to buy because it's quite often very expensive. This is a very dangerous decision, though.

You never know when you will need medical care and we all know it isn't cheap. Even if you are in perfect health, medical conditions can pop-up over night. You could wake up tomorrow and either have a major internal problem show up, or possibly have an accident and break a bone. You can easily rack up bills in the thousands, ten thousands or even hundreds of thousands from a single incident, and you never know when one will strike. Once this incident occurs, it's usually

too late to get insurance.

If medical insurance is available through your employer this is usually the cheapest option, however you can still get insurance if your employer doesn't offer it. The next cheapest option is most likely to get a group plan from another organization you belong to. Some examples would be a credit union or NASE. If you can't find a group program, you can still buy insurance as an individual, it just typically costs more. The best way to reduce the cost is to go with a plan that has a high deductible. You may end up paying \$2000 or so if you have a major incident, however it won't completely wipe you out.

If you own a home, you most likely have homeowners insurance because your mortgage company has required it, but if not, be sure to get it. If you rent, you may think you don't need insurance on your property, however if a disaster was to hit the apartment complex or other place you live, you can still lose all of your possessions. You may think the apartment's insurance will cover your losses, but it won't; you will need renter's insurance. This is usually fairly affordable. If you own a car, you are required in most states to at least have liability insurance, but depending on the value of your car and whether or not you can afford to replace it if you were in a wreck, you may also want full coverage to cover any damage to your vehicle.

The last type of insurance I would like to mention is life insurance. This is something many people overlook, especially younger couples. If you are single and are not responsible for supporting anyone you may not need this insurance, but if you are married and have children or anyone else you are responsible for caring for, this is something you are going to want to have.

To determine how much insurance you need, I suggest calculating how much your family would need to get by with you gone and multiplying that by fifteen. This will most likely be a shockingly high number, but it will allow you to support your family indefinitely by allowing them to live off the interest from this money rather than the principal. You'll learn more about this in the next article.