

Insuring The Breadwinner

Being the family breadwinner is a major responsibility; one that more and more couples are sharing. But what if you are the only breadwinner in your family? Perhaps you and your spouse have decided that he or she will, at least temporarily, stay home with small children. Maybe your spouse is ill or has decided to return to school for advanced education or further job training. Or, perhaps you are a single parent, solely responsible for bringing up children.

Whatever the reason, if you are providing financial support for people who are depending on you, you need insurance. Here's a checklist for essential "breadwinner protection."

Life Insurance

Life insurance serves many purposes, but its primary purpose - the one you most need as a breadwinner - is to replace income lost at death. In calculating your life insurance needs, therefore, you should consider:

- ◆ Your family's other sources of income: savings, investments, Social Security, group life insurance through your job, lump sum pension benefits payable to your survivor.
- ◆ How much additional money your family will need to pay final expenses and any outstanding debts, to provide for a readjustment period before a surviving spouse can return to work or to provide a college education for your children.

Once you determine your needs, your insurance agent can help you select the appropriate policy and amount.

Disability Income Insurance

Often overlooked, this income replacement insurance is just as important as life insurance. It will replace income lost if the breadwinner is injured or ill and unable to work, a situation more likely to strike a young family than death.

If you're not covered by a long-term disability policy on the job, or if that policy is not adequate, consider buying an individual disability income policy. Look for a policy that protects you if you're unable to work at your own occupation,

covers both accident and illness, that will pay benefits to age 65, and that is non-cancelable. You can keep costs down, if you have adequate savings, by selecting a policy with benefits starting three to six months after disability begins.

Health Insurance

Most Americans, although far from all, have some health insurance coverage on the job. If you don't, or if your on-the-job coverage is inadequate, you'll want an individual policy. Most important: major medical insurance to provide financial protection against the devastating costs of long-term illness. Look for a policy with maximum benefits of at least \$2,000,000 (more is even better in these days of skyrocketing medical costs) and elect the largest deductible you can afford (either picking up where your basic protection stops or self-insuring as much as possible) to keep costs down.

Long Term Care

One of the greatest expenses that families of the elderly and infirm can face is the cost of chronic illness. Generally, neither traditional health insurance policies nor Medicare will pay much of anything toward the cost of long-term care in a nursing home or at home.

One option for covering these long-term costs is private long-term care insurance. Long-term care insurance is a complex subject. Seek expert advice and recommendations from a professional insurance agent or advisors.

Compare the above recommendations to your current insurance, then talk to your insurance agent about filling any gaps in your coverage. Your insurance agent can help you find the policies you need.