



SYMPATHY, UNDERSTANDING & PRE-PLANNING

Insurance Policies Everyone Should Have

Insurance is something everyone needs but hopes to never use. Without insurance, already difficult situations could be made much worse and cause financial devastation.

Certain types of insurance may not be necessary for everyone, but other types are almost universally necessary regardless of the policy holder's particular situation. The following are some examples of insurance policies everyone should have.

Health insurance

Everyone needs health insurance. The out-of-pocket costs for routine medical examinations can be quite high, and testing, hospitalization or surgery can take quite a toll on a person's finances if he or she has no health insurance. In

fact, a recent Harvard study noted that most people are statistically one serious illness away from bankruptcy. Shopping around for adequate coverage and the most affordable plans for one's situation is essential, as even minimal coverage is better than nothing when it comes to offsetting the rising costs of health care.

Life insurance

Life insurance is something most people will never benefit from personally, but it leaves a financial legacy for the people they love, providing for those they leave behind. Parents or men and women who are the sole breadwinners in the household can rest easy knowing their life insurance will keep their loved ones financially secure in the event of

their death. According to the financial resource Investopedia, individuals need to factor in mortgage or rent payments, loans, funeral expenses, child care, and taxes when calculating how much life insurance coverage they need. Experts suggest 10 times one's yearly income.

Disability insurance

Many people do not believe they will become ill or injured. But the statistics speak otherwise. Data from the Social Security Administration show that three in 10 workers entering the workforce will become disabled before they reach retirement. Being off from work anywhere from a few weeks to a few months is enough to jeopardize one's financial future. Short- and long-term disability policies provide partial



and complete income replacement depending on the policy chosen.

Auto insurance

People who drive are urged to have auto insurance to protect

themselves in the event of an accident or theft. Auto insurance also helps protect against any litigation as the result of accidents when a passenger or other driver is injured.

Insurance is a wholly necessary expense that provides peace of mind and protection.

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Why Buy Life Insurance?



Facing one's mortality and the prospect of leaving family members behind is not always easy. Death, financial security and planning for the future are all difficult subjects, but planning ahead can make matters much easier in the long run.

Life insurance needs frequently come up

when making plans, and many people find that purchasing a life insurance policy is a worthwhile investment. Life insurance holds an important place in overall financial planning. One of the most apparent benefits of life insurance is that it will provide a considerable sum of cash upon the

insured's death, which can be put toward the cost of funeral arrangements, housing and dependent care.

Beyond end-of-life bills and care, life insurance can offer other advantages, say the experts at Allstate Insurance Company. Life insurance can provide

a family with a financial safety net. When a beneficiary is named, life insurance can serve as an inheritance for that person or people. Heirs may face estate taxes after a loved one dies, and life insurance benefits may help offset all or a portion of the costs.

There may be benefits to life insurance while a person is living as well. The life insurance information site Term Life 2 Go says that, depending on the policy, life insurance can be borrowed against to pay off debt, buy a house or live off of dividends from the life insurance investment. This can provide a source of supplemental retirement income.

Gateway Financial advisors say that many life insurance plans are extremely flexible and can be modified as needs change. Death benefits may be decreased if desired, and premiums can be skipped, reduced or increased.

Business owners also can use life insurance

policies to their advantage. Including life insurance with the list of other benefits offered to prospective employees can entice top-notch candidates. Sole proprietors may use life insurance as a business continuation plan so that insurance proceeds can keep the business in the black until it is sold or a replacement owner is found.

Shopping for life insurance requires careful research and an understanding of the products available. Consumers should have

a thorough understanding of term and whole life policies, what premiums will cost, what the death benefit will pay, and if there are any living benefits. For example, living benefits may cover some costs for chronically or terminally ill people.

Working with an experienced life insurance advisor can help people navigate the types of policies available to them.

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