

Insurance & Benefits

Our Greatest Asset

by Paul Breslau



Paul Breslau, Registered Health Underwriter (RHU), Registered Employee Benefit Consultant (REBC), Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), works at Breslau Insurance & Benefits. You may reach him by calling (602) 692-6832, visiting www.HealthQuoteAZ.com or by e-mail at Paul@HealthQuoteAz.com.

If asked to name our greatest asset many of us would say our home. We in Arizona have enjoyed tremendous increases in home values. However, our ability to earn income, not our home equity, is the greatest asset for most of us. Estimate the value of your home equity, or if you are not a homeowner, use zero. Now multiply your current income by the number of years until your retirement. Write these two numbers down and compare them. Unless you are about to retire or have accumulated considerable wealth, your ability to earn income is likely your greatest asset.

Some of us are going to lose our greatest asset prior to retirement. Let's guess that the *Scottsdale Airpark News* has a readership approaching 100,000. Over a 10 or 20 year period a number of us will die. Others will suffer disabilities that prevent us from working. Actuarial science estimates our probability of death and disability based on our age, sex, occupation, etc. It is guaranteed that our mortality and morbidity probability numbers are greater than zero. Again, over 10 or 20 years it is absolute that some of the 100,000 of us who may read this will die or become disabled. OK, if one of us dies what would happen financially to those left behind? Or if we could no longer work and earn an income what would happen to us and to those we love? Let's answer these questions and examine some issues.

Life Insurance Protection

Life insurance is valuable protection and is easy to acquire. Life insurance is also provided through work but I find this coverage is inadequate for most of my clients' needs. Questions include:

Are we paying too much? The good news is that we are living longer. Life insurance rates are constantly being reduced by the insurance companies. Can we purchase a new policy and save?

Do we have the right amount of protection? What is the sum of the death benefits to be paid if we died today? Now compare this to our lifetime income number we calculated above. Are we adequately protected?

Many readers of this publication have cash value life insurance policies. It is my recommendation to review the annual statements each year and to request an "In-force Illustration" from the insurance company.

If you need help with any life insurance issues you can call your agent or contact me for assistance.

Disability Income Protection

In the event of a heart attack, stroke or an auto accident ... disability is more common than death. After all, we only die once and the dying part is quick. Because disability is more common it makes protecting income loss due to ongoing disability more important. Most of us have little or no protection. Many employers do not offer group disability through work. Voluntary work related disability programs are often short term and

not long term. Here are some issues:

Our mindset is to ignore the prospect of not being able to work due to disability. However, how would we survive without any income? Let us not ignore the possibility that we may become disabled.

If disability income benefits are not provided through work, please contact me or your agent to discuss implementing a program. Disability insurance can range from employer paid short and long term plans to 100% voluntary plans provided by AFLAC and many others.

If you cannot afford full disability protection, then partially insure your future income through an individual disability policy. Insure half or some other percentage of your income.

If you can not afford full disability protection, then partially insure your future income through an individual disability policy. Insure half or some other percentage of your income.

Action Required

We should discuss protecting our ability to earn income, the greatest asset for many of us, with those we trust. This includes spouse and family, accountants, financial planners, and insurance experts. We insure our homes or we would not get a mortgage, we insure our car or the state will not let us drive. Let's insure our income or we and our loved ones may need one of those cardboard signs and a spot at the side of the highway. As always, your questions and comments are welcome.☺