

Promises, Promises



Paul Breslau

Insurance, like marriage, is a promise between two parties. These promises are written in licenses and contracts that most people never read. The range of promise outcomes is great. Here are some definitive actions and thought processes for you to improve your satisfaction with your insurance coverage.

Until Death Do Us Part

You don't get married to go out for dinner, and you should not insure small stuff. If you insure small stuff, it will cost more and cause aggravation. Insurance is meant for the big events like death, severe illness, or your home burning down. Events to insure are sudden and unforeseen and they cause significant financial disaster.

Like a shotgun wedding, sometimes you are forced to get insurance. The mortgage bank requires you to prove you purchased homeowner's insurance before you get the money for your dream home. Banks that do not require this would go bankrupt from the losses they would suffer.

Other times, you should get insurance but are not required to. For example, if you are supporting a family, you should protect your income. A \$100,000 salary will earn \$3,000,000 over the next 30 years, and a term life insurance policy will protect against family financial disaster caused by death. Please call me or see your agent to see if you are adequately insured.

Disability income insurance protection is also important but most people don't have this coverage. If you have a hard time budgeting when you are earning a wage how will you get by when you are not working and have no wage?

For Better or For Worse

Some marriages falter over small stuff, like the type or location of the toothpaste, but the marriage can still work. Some "faux" insurance is really not for sudden and unforeseen events of major financial consequence, but are discount plans or pre-paid plans. Vision, prescription and dental insurance fall

into this category. For example, getting teeth cleaned regularly improves dental health. Families with dental insurance actually get their teeth cleaned more regularly. Employment related dental insurance has tax benefits. While the dollar amount is low and dental visits are regular, the combination of the tax break and the improved health make employment related dental coverage worthwhile. Note that dental coverage is not textbook "insurance" although it is written on insurance contracts.

In Times of Sickness and In Health

Using insurance that protects against financial disaster should be avoided. Who wants a catastrophe? However, like divorce is to marriage, insurance can get you back on your feet. Before the marriage everything looks rosy and when you buy an insurance policy everything seems to be covered. Reality can set in quickly.

The details of deductibles, coinsurance, limits, exclusions, proof of loss and paperwork can cause great aggravation. Here is where an expert or knowledgeable person can help. Resources include your agent, insurance customer service representatives, and experts in the specific field of loss.

For example, Heather O'Loughlin of Ace Restoration Services (www.acewds.com, (602) 953-3340) in the Scottsdale Airpark knows the implications of water and mold damage. She deals in it every day with an array of commercial and residential insurance companies. Heather can help with your mold and water damage and filing the insurance claims.

As Long As We Both Shall Live

In marriage and insurance, there are promises. The integrity, honesty, knowledge and experience of those making the promises are important. It is okay that money is one of the deciding factors. However, money should not be the primary factor. Who will promise to stay by your side and help you? Please choose wisely.©

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