



Your Insurance Needs

Print Course

Print Handouts

COURSE DESCRIPTION

Your Insurance Needs is a 60-minute course designed to develop the knowledge and skills that will enable learners to make informed consumer decisions on typical types of insurance and their personal insurance needs. The instructor's guide contains many trainer notes providing supplemental information that can be used based on the knowledge and experience level of the group or to answer additional participant questions. It is recommended that facilitators use the provided resources to keep the course information up-to-date each time it is facilitated.

LEARNING OBJECTIVES

Terminal: Upon completion of this course, learners should be able to make informed choices when selecting insurance products to manage risk, safeguard wealth and protect assets.

Enabling:

- During the *Life-Cycle Approach to Insurance Needs* activity, learners will indicate at least two suitable insurance options for different stages of the average life span.
- As part of the *Insurance IQ Test* review activity, learners will identify and apply specific components of five major types of insurance.

REFERENCES

Department of the Navy. (2005). *SECNAV Instruction 1754.1B: Family Support Programs*. Office of the Secretary of the Navy, Washington, D.C.

Department of the Navy. (2010). *OPNAV Instruction 1740.5B Change Transmittal 2, United States Navy Personal Financial Management (PFM) Education, Training, and Counseling Program*. Chief of Naval Operations, Washington, D.C.

Department of the Navy. (2009). *Command Financial Specialist Training Manual*. Commander, Navy Installations Command, Washington, D.C.

Department of Defense. *A Survivor's Guide to Benefits: Taking Care of Our Families*. DoD, July 2015. PDF file. <http://download.militaryonesource.mil/12038/ProjectDocuments/MilitaryHOMEFRONT/CasualtyAssistance/SurvivorsGuide.pdf>

- “Family Servicemembers’ Group Life Insurance (FSGLI).” *Veterans Benefits Administration*. Department of Veterans Affairs, Dec. 3, 2015. Web. Oct. 17, 2015. <http://benefits.va.gov/benefits/>
- “Family SGLI Procedures Guide.” *Veterans Benefits Administration*. Department of Veterans Affairs, Oct. 22, 2013. Web. Oct. 17, 2015. http://benefits.va.gov/INSURANCE/fsgli_guide_toc.asp
- “Getting Divorced.” *Defense Health Agency*. Department of Defense, Aug. 3, 2015. Web. Oct. 17, 2015. www.tricare.mil/LifeEvents/Divorce.aspx?sc_database=web
- InsWeb*. InsWeb Corporation, n.d. Web. Oct. 17, 2015. www.insweb.com
- “Life Insurance.” *Veterans Benefits Administration*. Department of Veterans Affairs, Sept. 28, 2015. Web. Oct. 17, 2015. www.insurance.va.gov
- “Separating from Active Duty.” *Defense Health Agency*. Department of Defense, April 1, 2015. Web. Oct. 17, 2015. www.tricare.mil/LifeEvents/Separating.aspx
- “Survivor Benefit Plan.” *Defense Finance and Accounting Service*. Department of Defense, March 20, 2015. Web. Oct. 17, 2015. www.dfas.mil/retiredmilitary/provide/sbp.html
- TRICARE*. *Defense Health Agency*. Department of Defense, n.d. Web. Oct. 17, 2015. www.tricare.mil
- “What’s the Best Age to Buy Long Term Care Insurance.” *American Association for Long Term Care Insurance*, n.d. Web. October 16, 2015. www.aaltci.org/long-term-care-insurance/learning-center/best-age-to-buy-long-term-care-insurance.php

USEFUL WEBSITES

- Department of Veterans Affairs: www.va.gov
- TRICARE (health insurance): www.tricare.mil
- Consumer awareness: www.consumerworld.org
- General insurance information: www.iii.org
- Insurance fraud: www.insurancefraud.org
- Insurance quote comparison: www.insweb.com
- Insurance news and analysis: www.ambest.com

- Federal long-term care insurance: www.ltcfeds.com
- Long-term health insurance: www.aaltci.org
- Navy Gold Star: www.navygoldstar.com
- Consumer Financial Protection Bureau: www.consumerfinance.gov
- Social Security Administration: www.ssa.gov

COURSE PREPARATION

Handouts:

- *Insurance IQ Test*
- *Life-Cycle Approach to Insurance Needs*
- *Organizing Your Records*
- *Shopping Tips for Insurance*

Materials (vary depending on activities chosen):

- Pens, pencils, markers
- Paper
- Chart paper or whiteboard
- Internet connection (where available)
- *Your Insurance Needs* PowerPoint slides

SUMMARY OF LEARNER ACTIVITIES

- *The Life-Cycle Approach to Insurance Needs*: An interactive approach to course content highlighting the fact that it is the life-cycle event that determines the need to make an insurance purchase.
- *Insurance IQ Test*: A review activity in which participants are asked key facts that relate to five main areas of insurance.

CONTENT OUTLINE

1. Welcome and Introduction (5 minutes)
 - a. Agenda
 - b. The Purpose of Insurance

2. The Life-Cycle Approach To Insurance Needs (45 minutes)
 - a. Learner Activity: *The Life-Cycle Approach to Insurance Needs*
 - b. Single in Quarters
 - c. Moving Off Base
 - d. Buying a Car
 - e. Getting Married
 - f. Having Children
 - g. Buying a Home
 - h. Increasing Assets
 - i. Divorce
 - j. Retirement/Separation
 - k. Death
3. Summary (10 minutes)
 - a. Protecting Wealth Wisely
 - b. Sources of Help
 - c. Learner Activity: *Insurance IQ Test*

CONTENT MATERIAL

WELCOME AND INTRODUCTION

Picture yourself sitting on your couch. Now think about all of the items around you: your TV, furniture, electronics. If there were a fire in your home and you lost everything, would you be able to replace it? Do you have the money in the bank or sufficient insurance to cover this loss?

Now think about your car and the potential hazards you face each time you drive. Would your current automobile insurance cover all of your expenses if you were in a car accident? Does your insurance provide protection for medical costs resulting from an accident? What about the cost of repairs?

What protections do you have in place for the things that matter to you most?

AGENDA

This course will explain the importance of insurance for the events you hope will never happen. Part of building wealth is having a meaningful way to protect it, and you can give yourself tremendous peace of mind by preparing for unanticipated events and hazards.



This course will cover the types of insurance protection available to help you manage the risk of potential losses. It will take a common-sense approach to how, when and which product to purchase. This is referred to as the life-cycle approach to insurance. We will also discuss strategies for getting the most out of your insurance purchases, while avoiding common mistakes and unnecessary costs.

THE PURPOSE OF INSURANCE

The purpose of insurance is to help us manage risk and protect us from financial loss. We all face risks every day, and while many amount to nothing, some could result in damage, injury, loss or liability. There are several ways to manage the various risks that we are all exposed to:

Avoid: One way to do this is to *avoid* the risk all together. For example, if you are concerned about the risk of drowning, you could avoid purchasing a home with a pool.

Reduce: A second way is to *reduce* the risk. For example, if you are concerned your cellphone may distract you while driving, you might silence the volume or put it in the back seat where you cannot reach it.

Retain: You can also *retain* a risk. This means that you are willing to pay for whatever financial loss occurs, such as declining an extended warranty on a small appliance and assuming the responsibility to repair it if necessary.

Transfer: For everything else, you can *transfer* the risk by purchasing insurance to protect you from losses you cannot afford to cover yourself. You pay a small, known cost (the premium) for the promise that the insurance company will pay for a larger cost of loss that may occur (within certain limits).

THE LIFE-CYCLE APPROACH TO INSURANCE NEEDS

We all experience major life events that affect our insurance needs, such as buying or renting a home, marrying, having children, accumulating assets, transitioning to civilian life and retiring. Smart insurance planning begins with a detailed assessment of your immediate insurance needs, along with *reassessment* when significant life events occur. Some types of insurance, such as health and disability, are provided to you while you remain on active duty. Other types of insurance are your responsibility in part or in full. We will take a look at some major life-cycle events and explore how you can make the best insurance purchasing decisions for each one.





LEARNER ACTIVITY: *The Life-Cycle Approach to Insurance Needs*

Time: 30 minutes

Materials: *The Life-Cycle Approach to Insurance Needs* handout, chart paper and markers

Procedure: Divide the class into 10 pairs or small groups. Assign them one stage of the life cycle, but do not distribute the handout. Have each group brainstorm insurance needs for their stage in the life cycle, taking into consideration the previous stage. Instruct groups to determine at least two types of insurance they think are needed for their stage. Ask for a member of each group to record the responses on the board or on chart paper. Have all group leaders report their findings before presenting the content, or have each individual group report their findings just before the debrief on the stage they were assigned. Distribute handout as a reference guide for the next section.

Life Cycle Stages:

1. Single in Quarters
2. Moving Off Base
3. Buying a Car
4. Getting Married
5. Having Children
6. Buying a Home/Condo/Mobile Home
7. Increasing Assets
8. Divorce
9. Retirement/Separation
10. Death

SINGLE IN QUARTERS

"I don't need any insurance. I live in government quarters. I don't even have a car."

Insurance Needs

Life insurance: If you are single and have no dependents, chances are there is no one who suffers any severe financial consequences should you die. Therefore, your life insurance needs generally amount to covering certain one-time expenses, such as burial costs and any outstanding debts.



- **Servicemembers' Group Life Insurance (SGLI):** Most Sailors are covered by SGLI, a low-cost group life insurance plan for active and Reserve personnel associated with the armed services. SGLI coverage is available in \$50,000 increments up to a maximum of \$400,000. Its premiums are currently only 7 cents per \$1,000 of insurance, totaling at most \$28 per month, regardless of the service member's age.
- **SGLI Traumatic Injury Protection Program (TSGLI):** Servicemembers' Group Life Insurance Traumatic Injury Protection Program (TSGLI) provides automatic traumatic injury coverage to all service members covered under SGLI. It provides short-term financial assistance to severely injured service members and veterans in order to assist them in their recovery from traumatic injuries incurred on or off duty.

Trainer's note: Individuals eligible for(SGLI include: service members on active duty, Ready Reservists, members of the National Guard, members of the Commissioned Corps of the National Oceanic and Atmospheric Administration and the Public Health Service, cadets and midshipmen of the four service academies, and members of the Reserve Officer Training Corps. TSGLI coverage applies to active-duty members, Reservists, National Guard members, funeral honors duty and one-day muster duty.

Renters insurance: Renters insurance is also important. It protects against the loss of your personal property if it is lost or stolen. Even if you are living in barracks or on a ship, replacing the cost of personal items such as your clothes, cellphone or computer can be expensive. While the government insures the building or the ship, it may not always cover losses to your personal belongings. Renters insurance is relatively inexpensive, usually less than \$25 a month depending on coverage.

MOVING OFF BASE

"I commute to work with a friend, and I am just buying some furniture on credit. Since I don't have much, I don't need insurance to cover it."

Insurance Needs

Renters insurance: Remember that renters insurance is necessary to replace your possessions, and those who fail to purchase it can face a double problem. In the event of a disaster, such as fire or flooding, not only would you have to replace your furniture, you could also end up continuing to make payments on the furniture bought on credit until it is paid off. When moving off base or acquiring additional assets, re-evaluate whether you have the coverage you need.





Renters Insurance Tips

Determine your coverage. Check with the base housing office to find out what is covered. Talk with your insurance company to make sure your possessions are covered while residing in base housing, the barracks or aboard a ship.

Opt for replacement cost coverage. Always opt for replacement cost coverage, which pays fully to replace lost items. Actual cash value coverage only pays the depreciated value of the items.

Consider a rider. Some personal property – particularly high-cost items like jewelry, guns, collectibles, sporting gear or computer equipment – is not fully covered under a standard policy. You may need a rider (a mini-policy added to a bigger policy to cover specific items) or even a separate policy to make sure they are adequately protected.

Consider personal liability. Consider insurance that includes personal liability and medical payments to others. Personal liability insurance covers you when you are held responsible for the losses of others arising from your own negligence. This is included in renters insurance policies and can be increased if needed. Medical payments insurance pays for medical expenses for those injured while visiting your home.

Keep an inventory. Once you have your property insured, take an inventory and keep a copy of the list somewhere safe (not at home). Photographs or video of your property may help in getting a full-value settlement.

BUYING A CAR

“I am buying a car with a big monthly payment; there’s no way I can afford insurance. I’ll just take my chances.”

Trainer’s note: Research the state requirements for auto insurance per person, per accident, property damage and medical payments, and provide that information here. Refer learners to a *Car Buying Strategies* course at the FFSC if they are considering purchasing a car.



Insurance Needs

Auto insurance: For many service members, the biggest initial purchase they will make is a car, and auto insurance is an important way to protect that investment. With this insurance, you agree to pay the premium and the insurance company agrees to pay your losses as defined in your policy. There are several different types of car insurance, and each is priced separately.

- **Liability:** Liability coverage pays for your legal responsibility to others for **body injury** or **property damage**. It is written as three numbers. For example: 100/300/50 means \$100,000 in bodily injury coverage per person, \$300,000 in bodily injury coverage per accident and \$50,000 in property damage coverage per accident.
- **Property (or Vehicle):** Coverage pays for damage to or the theft of your car. If you cause an accident, **collision coverage** will pay to repair your vehicle (the actual cash value, not the replacement cost). **Comprehensive coverage** pays for damages to your car not caused by an accident, such as a tree fall, fire or theft. Your insurer will only pay as much as the car was worth when the event occurred, not the cost of a new car. Collision coverage is generally sold with a deductible of \$250 to \$1,000. Comprehensive coverage is usually sold with a deductible of \$100 to \$300.
- **Medical:** Also referred to as **medical payments** or **personal injury protection (PIP)**, medical coverage pays for the cost of treating injuries, rehabilitation and sometimes wages lost by someone injured in an accident. It may also cover funeral costs. This coverage protects you and your passengers for injuries, no matter who is at fault.
- **Other: Uninsured and underinsured motorist coverage.** Uninsured coverage will reimburse you or another designated driver if one of you is hit by an uninsured or hit-and-run driver. Underinsured motorist coverage comes into play when an at-fault driver has insufficient insurance to pay for your total loss. This coverage will also protect you if you are hit as a pedestrian.
- **Optional:** Other optional insurance features may include towing and labor, rental car reimbursement and gap coverage (pays the difference between the car's estimated fair market value/cash value and the amount left on your loan if your vehicle is totaled or stolen).

Most states require drivers to purchase a minimum amount of auto insurance, and it is tempting, especially for young drivers, to stop there. However, if you want to protect yourself from big repairs or a possible lawsuit, it is wise to buy more than what is required for the additional coverage to protect your assets. Most auto policies are for six months to a year, and your insurance company should notify you by mail when it is time to renew the policy and pay your premium.



Auto Insurance Tips

- **Maintain a good credit history.** Most insurers use credit information to price auto insurance policies, so a good credit history can reduce your costs. Research shows that people who effectively manage their credit have fewer claims. To protect your credit standing, pay your bills on time, do not obtain more credit than you need and keep your credit balances as low as possible. Check your credit record regularly and have any errors corrected promptly.
- **Shop before you buy.** To find the best insurance at the best price, investigate insurance coverage from several companies before going to purchase a vehicle. Get at least three price quotes by calling companies directly or accessing information on the Internet. Purchasing auto insurance from a dealer is generally not recommended.
- **Ask about discounts.** Many insurers will give discounts for added safety features, like antilock brakes, side air bags and anti-theft devices. Many companies also give discounts to customers who buy two or more types of insurance (i.e., homeowners and auto) or insure multiple vehicles.
- **Choose higher deductibles.** As with most insurance, the higher your deductible, the lower your premium. When going this route, make sure to have sufficient emergency funds to cover potential repair costs.
- **Reduce coverage on older cars.** Consider dropping collision and/or comprehensive coverage on older cars. Compare your vehicle's actual cash value to the premium cost of collision and comprehensive to help you decide. If your car is worth less than 10 times the premium, purchasing the coverage may not be cost effective.
- **Maintain coverage while on deployment.** Some companies will allow continued coverage at a reduced rate while you are deployed. Contact your insurer and let them know your car will be "off the road." If you drop coverage, your rates will likely go up when you reinstate it. If you still owe money on the vehicle, the creditor will require you to maintain coverage.

GETTING MARRIED

"Wow, this is such a big step, with so many things to consider. I don't want to think about those negative things right now."

Insurance Needs

Renters insurance: Review your insurance and adjust as necessary, adding your spouse's possessions to policy.



Auto insurance: Also review your auto insurance and adjust as necessary, adding your spouse and their vehicle.

Health/dental insurance: While on active duty, all of your health care and most of your family member's care is covered at no cost to you by TRICARE. In order to be covered, your dependent family members must be enrolled in the Defense Eligibility Enrollment Reporting System (DEERS) by you and then be enrolled in the TRICARE Health and TRICARE Dental. TRICARE has three options: Prime, Extra and Standard.

Life insurance: You may want to consider additional life insurance to protect those who depend upon you financially, should you die. The single most important reason to have life insurance is to replace one's income. It can also provide funds to pay off a mortgage, eliminate debts, pay educational costs or any other financial need.

- **Married, one income, no children:** If one spouse is financially dependent on the other, insurance would be needed to provide for the non-working spouse during an adjustment period and possibly longer, depending on education, employment potential and health.
- **Married, dual income, no children:** In this situation, because both spouses are working, the major consideration will be providing money to pay off the debts they share and final expenses such as medical and funeral costs. Dual-income couples often have more debts as well as more money.

HAVING CHILDREN

"I have a baby now. I'm supposed to be responsible, but I don't even know where to begin."

Insurance Needs

Renters insurance: Review and adjust as needed.

Auto insurance: Review and adjust as needed.

Health/dental insurance: As with your spouse, you will want to add your child to DEERS and your Page 2 to ensure TRICARE coverage. You may want to wait until your child has teeth or needs to begin care (usually age 2-3), then change your enrollment to the full family dental plan.

Family Servicemembers' Group Life Insurance (FSGLI). If you are married or single with children, this is the time of greatest need for life insurance. FSGLI



provides term life insurance coverage to the spouses and dependent children of service members insured under SGLI. The service member pays the premium for spousal coverage up to \$100,000. Dependent children under the age of 18 are automatically insured for \$10,000 at no cost. In addition, children between the ages of 18 and 23 who are full-time students are also covered.

You will need to personally assess whether SGLI and FSGLI covers all of your family's future needs. Regardless of employment status, the surviving spouse is generally going to have a significant need for additional funds to offset the loss of the other spouse's income while the children are living at home or are in college. If the surviving spouse is the service member, there may be additional child care costs to consider. Single parents must consider the future financial needs of the child as well their designated guardian. Adequate insurance should also be in place to compensate a guardian for the additional expenses of raising children should one or both parents die. Additional insurance may be needed.

Trainer's note: Spouse coverage is a maximum of \$100,000 and can be in lesser amounts in increments of \$10,000. However, spouse coverage cannot exceed the service member's level of SGLI coverage. Service members married to other service members can be covered under both their own SGLI for \$400,000 and their spouse's FSGLI for \$100,000 for a maximum combined coverage of \$500,000. The service member can apply by completing SGLV Form 8286A and submitting it to their branch of service.

Life Insurance Considerations

Life insurance needs. When purchasing life insurance, it is important to consider that your needs will fluctuate during your lifetime. Some needs are short-term, meaning they have a distinct beginning and end, such as providing income until children leave the home or graduate from college. Other needs are long-term, such as covering funeral expenses and providing a steady stream of income for a surviving spouse. In young adulthood, the need for life insurance is minimal if you have no dependents. When you marry and/or have young children, your insurance needs are greater. After your children have grown up and are independent and you have acquired other assets, the need for life insurance declines and possibly disappears.

Life insurance products. There are many different life insurance products, most commonly separated into two categories: temporary insurance (also referred to as "term") and permanent insurance (also referred to as "whole life"). All insurance purchases are a personal choice, but considering your position in the life-cycle can help you zero in on the specific needs you want covered and guide the most



appropriate product to use. There are many insurance calculators, such as the one provided by the Department of Veterans Affairs (VA), that can help you determine how much life insurance to purchase (if any) based on your needs.

Term Life Insurance

Factors. Temporary, or term, insurance provides protection for a limited period of time (the term of the policy). The face amount will be paid only if the insured dies during the specified period. Term insurance is purchased for periods of generally one to 20 and sometimes even 30 years, with premiums remaining level throughout the term. Some term insurance allows you to renew the term or convert the policy to a permanent plan. SGLI and FSGLI are examples of term insurance that pay the face amount of the policy to your beneficiary should you die.

Advantages. Term insurance is less costly, particularly when the purchaser is young and the need for insurance is generally at its greatest. It is useful for limited-duration needs, such as a time frame when the surviving spouse may be financing educational expenses or paying off a mortgage.

Disadvantages. The disadvantage of term insurance is that the premiums gradually increase with age, making it more cost-prohibitive the older you get. Term insurance has no cash value, meaning nothing is paid if the insured survives past the insured period.




Permanent Insurance

Factors. Permanent insurance is an umbrella term for life insurance plans that do not expire (unlike term insurance), but rather pay a death benefit to your designated beneficiary when you die. Permanent insurance policies include a savings element that will grow on a tax-deferred basis and may accumulate a substantial cash value over time. Depending on the policy, owners may be able to borrow funds or withdraw the cash value for certain financial goals. Whole life, universal life and variable life are all examples/variations of permanent insurance.

Advantages. A permanent life policy provides lifelong insurance protection. The policy pays a death benefit to a beneficiary you designate if you die tomorrow or if you live to be 100. Permanent insurance premiums also remain the same, while term insurance premiums can go up substantially every time you renew the policy.




Disadvantages. Because of the savings element, premiums are generally higher for permanent than for term insurance, particularly in the early years of the policy. Compared to other investment options, there is a lower rate of return contributing to the cash value.

Term Life Insurance

		
Limited time protection	Lower cost	Cost increases with age
Pays face amount	Good for limited duration needs	No cash value

SLIDE 13

Permanent Life Insurance

		
Death benefit with savings vehicle	Coverage for life that builds cash value	Much higher cost in earlier years
Whole, universal and variable life options	Level premiums for life	Lower return on cash value

SLIDE 14

Trainer's note: Depending on the size, interest and experience level of the group, the discussion of permanent insurance can be limited to the description above, under “Factors,” or it can delve into further details below concerning traditional whole life, universal life and variable life insurance. Additional information can be found on the Insurance Information Institute website at www.iii.org.

Traditional whole life: A whole life policy remains in place for as long as you pay the premiums, which is normally for the whole life of the insured. Premiums are designed to stay the same (level) throughout the life of the policy to offset variable costs associate with age. Any reserve money (cash value) is invested conservatively and belongs to the insurance company until the insured surrenders the policy, borrows against it or dies. This return of unused premium is called a dividend. Insurance policy dividends are not taxed and can be received in cash, used to buy paid-up additional insurance, used to pay future premiums or held by the Insurance company and receive interest.

Universal life: Universal life offers more flexibility to the policy owner in setting premium amounts and death benefit options, pending results of a medical examination. The premium is deposited into a savings vehicle (called a cash value account or accumulation fund) that generally earns a money market rate of interest.

Variable universal life: Variable life insurance has a death benefit and savings account similar to universal life, with the exception of allowing the policy owner the option to invest in stocks, bonds, money markets and mutual funds to achieve a potentially higher return.

Life Insurance Premium Factors

The cost of your insurance is based on a number of factors, some of which you can control. Common factors insurance companies take into account include:

Age: The number one factor behind the cost of life insurance is the age of the policyholder. The possibility of death increases each year as you grow older; therefore, the “risk” being assumed by the insurance company is greater. The cost of the “insurance” portion of any policy will increase with age, which is why experts recommend buying a policy while you are young.

Gender: Next to age, gender is the biggest determinant of pricing. Women generally live longer than men, which means they typically pay premiums for a longer period than men, affording them slightly lower rates.



Health: Your state of health determines whether you are insurable and at what cost. The underwriting process for most carriers includes a medical exam in which the company records height, weight, blood pressure, cholesterol and other key metrics. People with chronic health problems will face higher insurance premiums, so it is important to get any serious conditions such as high cholesterol and diabetes managed before searching for coverage to ensure a competitive rate. Your family health history may also come into play.

Occupation: The cost of life insurance can increase dramatically for those in high-risk jobs (e.g., demolition specialists, race drivers, scuba divers). People with dangerous hobbies can also be affected in the same way.

Lifestyle: Certain lifestyle choices can affect insurance premiums. For example, a smoker will pay almost twice as much for life insurance as a non-smoker of the same age. Most insurance companies consider you to be a smoker if you have used tobacco in any form at any time in the previous 12 months. Once a smoker quits, the rate for insurance will normally be reduced to the non-smoker rates after 12 or more months.

Driving record: Many life insurance companies look at your driving record during the underwriting process by asking you direct questions or accessing your records through the department of motor vehicles. The previous three to five years carry the most weight, so if you have improved your driving habits, you may benefit with a more favorable price.

BUYING A HOME

“I’ve just made the biggest purchase of my life. Now I want to protect my investment and find a way to pay off this debt if something happens to me.”

Insurance Needs

Life insurance: Your needs will increase again based on the mortgage you are carrying. To pay off the mortgage in the event of your death, you will need to carry more insurance.

Homeowners insurance: Homeowners insurance will be required by your lender to cover both your property and personal possessions. Most homeowners purchase a standard HO5 “all risks” policy. This covers property damage to the home, damage to contents, liability against damages to others while on your property, and expenses if you are displaced for some time. Standard policies provide the same coverage regardless of which company issues them; the only real difference is the cost.



Homeowners insurance does not cover certain types of damage (including earth movement, water damage, power failure, neglect or intentional damage). Most of these perils can be covered by a separate policy specific to that issue, such as flood insurance, which is the most common.

Tips on Homeowners Insurance

Choose the right level of protection. When shopping for home insurance, there is much more to consider than how much your coverage will cost. You need to buy the right type of policy, including the proper level of protection, and add any special provisions for valuables such as jewelry, computer equipment and other possessions.

Consider additional coverage. You might also need additional coverage for such events as earthquakes or flooding. Flood insurance is a wise purchase that is required (and expensive) in high-risk areas but often inexpensive elsewhere. Flood insurance is offered under the National Flood Protection Program, and even though it is sold through commercial companies, the cost will be the same regardless of which company you buy from. It is the one type of insurance for which comparison shopping does no good.

Opt for replacement coverage. Like renters, homeowners should buy replacement cost coverage, not actual cash value, for comprehensive coverage of their belongings.

Take an inventory. Take an inventory and determine whether you have enough insurance coverage. Keep a copy of your important assets somewhere secure, such as in a fireproof safe or at a location outside the home. Photos or videos of each room and its contents will help you to settle a claim in the event of a loss.

INCREASING ASSETS

“I am finally starting to accumulate some possessions and put money aside in investments. Now I worry about how to protect these assets from a lawsuit.”

Insurance Needs

Auto insurance: Review and adjust as needed.

Life insurance: Review and adjust as needed.

Homeowners insurance: Review and adjust as needed, remembering that as your assets grow, you need to ensure appropriate coverage.



Umbrella policy: An umbrella policy protects against loss in the event of a large damage award in a lawsuit over and above the limits of an auto or homeowners liability policy. Those with substantial assets to protect should consider an umbrella policy, as should anyone who may face particular risks, such as owning an in-ground swimming pool, having a potentially dangerous dog for a pet or regularly transporting other neighborhood children in your van.

Trainer's note: Homeowners are usually required to have \$300,000 to \$500,000 of insurance coverage on their regular policies before qualifying for an umbrella policy. In addition, insurers require that they have both their homeowners and auto policies with them. A \$1 million umbrella policy can often be purchased at a relatively low cost (less than \$150 per year).

Long-term care (LTC) insurance: LTC insurance is a smart way to protect your income and assets and remain financially independent should you need assistance with performing everyday activities due to a chronic illness, injury, disability or the aging process. While long-term care is generally thought of as something needed for the elderly, it can be used by anyone at any time for conditions such as automobile or sporting accidents; disabling events such as strokes, brain tumors and spinal cord injuries; or chronic illnesses such as multiple sclerosis, Parkinson's or Alzheimer's disease. For most people with these conditions, medical insurance, disability insurance and Medicare will not pay for the ongoing, long-term care provided at home, in nursing homes or at adult day care and assisted living facilities. Industry experts recommend considering this coverage between ages 50 and 55, but keep in mind that premiums are based on your age and your health when you apply.

Long-term care insurance is available to service members, retirees, spouses and other qualified family members under the Federal Long Term Care Insurance Program (FLTCIP). The cost varies based on the benefits and options chosen. Online calculators can help you determine the premiums for the plan you choose. It is important to thoroughly research the options of this plan as well as any others you may be eligible for before making a purchase decision.

Trainer's note: Additional details can be obtained at www.ltcfeds.com or by calling 1-800-582-3337.

DIVORCE

"My spouse said she would continue to cover me on the auto insurance policy, but now it's been canceled. What should I do?"



Divorce

- Homeowners Insurance
- Auto Insurance
- Health Insurance
- Long-Term Care Insurance
- Life Insurance

SLIDE 19

Insurance Needs

Renters/homeowners: Review and re-evaluate, putting the policy in your own name.

Auto insurance: Review and re-evaluate, putting the policy in your own name.

Health insurance: When there is a divorce, sponsors must update DEERS with a copy of the divorce decree. All eligibility determinations revolve around the date of the divorce (not the date it was filed). Because it is an entitlement, eligibility for health care for the sponsor and any biological and/or adopted children under age 21 (or age 23 if in college) will not change. Healthcare coverage for a spouse will end when they cease to become a dependent (marked by the date of the divorce decree), unless they meet special circumstances for limited-time or longevity coverage.

Trainer's note: Spouses may be eligible to continue to receive TRICARE benefits if they meet certain longevity requirements detailed at www.tricare.mil/Plans/Eligibility/FormerSpouses.aspx. They may also be eligible for Continued Health Care Benefit Program (a limited-time program similar to COBRA), detailed at www.tricare.mil/chcbp.

Life insurance: People sometimes forget about the existence of their life insurance policies, yet often the amount of money involved is higher than their other assets. Divorcing couples should check the beneficiaries on their life insurance, whether they have term or permanent policies. If they fail to change the beneficiary of their policy, their ex-spouse could get the money instead of their children or current spouse upon death.

Long-term care insurance: Long-term care insurance policies are individual insurance policies, so there would not be much impact from a divorce, aside from any discount for multiple policies. Single or divorcing spouses in their 50s who do not have long-term care coverage should strongly consider purchasing some because they may not have anyone to take care of them or have to pay for care from their own assets.

Insurance Tips During Divorce

Put policies in your own name. Be sure to notify your insurance company when any asset such as a car or a home changes ownership, and be aware that you may lose discounts previously received for bundling insurance plans. Whenever possible, have your own policies in your own name for all areas of insurance.



Review all policies. In the event of a divorce, all policies need to be reviewed for accuracy. Whether the policies are in place for protection or as an investment, you will need to review them in the context of your new financial circumstances.

Re-evaluate how much insurance you need. Re-evaluate how much insurance you need to cover anyone still dependent on you. Consider what expenses you need to cover and future plans for any children, such as completing college.

Maintain coverage on joint policies. If you choose to keep joint coverage on some policies, make sure to maintain necessary coverage. For example, liability insurance policies for your home and car are particularly important to maintain during and after a divorce. You will still be liable for damages if the vehicle is in an accident or if anything happens to someone on your property (even if you are not living there).

Include estimated expenses in your divorce settlement. Increases in costs or loss of coverage should be incorporated into your divorce settlement. It is also advisable to have provisions written into a divorce settlement that address certain contingencies that could occur, such as what will happen with alimony payments in case of a disability.

RETIREMENT/SEPARATION

“I am getting out of the military in a few months. Will my insurance needs change?”

Insurance Needs

Many of the benefits you have had at little or no cost through the military must now be covered on your own. Your new employer may provide some benefits if you continue to work. However, in most cases you will have a cost share.

Homeowners insurance: Review and adjust as needed.

Auto insurance: Review and adjust as needed.

Health/dental insurance: Replacing health care coverage will most likely be the largest insurance expense you will have when separating from the military, but health insurance is something you never want to be without. Medical bills are one of the leading causes of bankruptcy, and health insurance can often help you avoid major out-of-pocket expenses. Group insurance plans, such as a Health Maintenance Organization (HMO) or a Preferred Provider Organization (PPO), are often the most common among private employers. You and your family may also qualify for temporary health care coverage through the military, known as Transitional Health Care Programs (TAMP).



As a retiree, you must enroll in TRICARE. You and your family will have a change in status, and more fees will be involved. While the costs are still far more competitive than commercial companies, you may want to consider a supplemental policy even if you are eligible for Medicare or Medicaid.

Trainer's note: Separating service members and their families may be eligible for temporary coverage under the Transitional Assistance Management Program (TAMP) or the Continued Health Care Benefit Program (CHCBP). Retired service members and their families are eligible for several options. Consult the TRICARE website at www.tricare.mil.

Disability insurance: Disability insurance replaces a portion of your income should you be injured or become ill and unable to work for an extended period of time. While on active duty, you have disability coverage, but when you retire or separate, you need to revisit this insurance again for you and your spouse. Industry experts recommend minimum disability coverage of 60 percent of your annual income, but consider 70 percent to 80 percent based upon your expenses. Disability income insurance can be obtained through an employer's group insurance policy or an individual plan.

Life insurance: Your first of three options is to convert your SGLI to Veterans Group Life Insurance (VGLI). Because of the progressively rising costs, VGLI is not generally recommended unless you are uninsurable or only insurable at a cost-prohibitive rate. Under certain conditions, you may be able to convert your SGLI (as well as your spouse's FSGLI) to a commercial policy through the VA. Finally, you may opt to apply for insurance with a new company, such as one provided by another employer.

Trainer's note: For information on converting SGLI, VGLI or FSGLI to a commercial policy, consult the VA website at www.benefits.va.gov/INSURANCE/converting.asp.

Active-Duty Survivor Benefits

When determining future insurance needs, it is important to take into account the benefits provided by the government, many of which need to be established while on active duty.

Trainer's note: All rates are current as of November 2015. Most rates can be verified through the Department of Veterans Affairs at www.va.gov and the Social Security Administration at www.ssa.gov.



Death gratuity: This is a one-time, \$100,000 lump-sum payment provided to certain survivors of military service members who die while on active duty. It is a tax-free benefit, typically paid within 72 hours. This benefit is intended to help meet the needs of a deceased service member's family during the time period before veteran survivor benefits become available.

SGLI: The standard coverage for SGLI is \$400,000 unless the benefit was decreased or declined by the service member. The beneficiary is set by the service member and is separate from any beneficiary that is named in their will.

Dependency and Indemnity Compensation (DIC): Dependency and Indemnity Compensation (DIC) is a tax-free, monthly benefit generally payable to a surviving spouse, child or parent of service members who die while on active duty. Current DIC for spouses is \$1,254 and \$310 for each dependent child under 18. A benefit of \$266 is also provided for some veterans with service-connected disabilities.

Social Security: Depending on how long you have worked, you may be entitled to a one-time, lump sum payment of \$255 to your spouse or minor children if they meet certain requirements. Each survivor will also receive a percentage of your basic Social Security benefit, usually from 75 to 100 percent. If the surviving spouse has children 18 or younger, the family also will be eligible for additional benefits. Individuals receive an estimate of Social Security benefits yearly.

Supplemental VA educational benefits: Educational benefits are available to a surviving spouse for up to 20 years after the service member dies. Children are also eligible to use these benefits between ages 18 and 26.

Survivor Benefit Plan: The Survivor Benefit Plan provides eligible beneficiaries with a monthly payment for their lifetime, referred to as an "annuity." This government-subsidized program is free while the service member is on active duty. Should a service member die in the line of duty, their entitlement is calculated as of that date and the SBP annuity will be paid monthly for the rest of the survivor's life or until they become ineligible.

At retirement, you must elect to have a monthly deduction taken from your pay to continue SBP coverage. The deduction cannot exceed 6.5 percent of your gross retired pay. The cost depends on the level of coverage you choose. At maximum coverage, eligible beneficiaries will receive 55 percent of the retiree's elected amount of coverage.

Trainer's note: For more information on SBP, encourage participants to attend the *Survivor Benefit Plan* course.

Other benefits: The military will pay the cost of a basic funeral and provide transportation for family members. The family will be provided a no-cost final move and receive Basic Allowance for Housing (BAH) or permission to live in housing for 12 months, and be paid for any accumulated leave or arrears in pay. All of the above taken together provide the foundation for a sizable estate for the average service member.

Trainer's note: Additional information and support for survivors can be found through Navy Gold Star, the Navy's official program for providing assistance to survivors of service members who die on active duty: www.navygoldstar.com.

SUMMARY

PROTECTING WEALTH WISELY

Review insurance with life events. With every life-cycle event, you should review your needs to determine whether you have the proper type and proper amount of insurance. If other people depend on you for their financial well-being, having no insurance plan in place or being underinsured can be a costly mistake.

Use an insurance calculator. Use an insurance calculator, such as the one provided by the VA, to determine how much insurance you actually need.

Comparison shop for the best deal. There are many insurance providers that offer similar products at very different rates. Comparison shop among reputable companies to find the best deal. Ask about discounts for military families, multiple or multi-line insurance plans and safety precautions.

Choose high deductibles to save on premiums. With high liability limits, these are usually the best buys in the world of insurance. Use your emergency fund to self-insure yourself by covering the cost of your deductible.

Organize your records. Make sure to keep all of your insurance policies in order. Keep one set of records in your home in a place where loved ones who need this information can find it. Secure another set of these records in a location outside the home, such as with a financial professional or trusted family member or in a safe deposit box.

Trainer's note: Refer learners to the *Organizing Your Records* handout.

Buy insurance; do not let it be "sold" to you. There are many gimmicks in the world of insurance, and service members (particularly young ones) are often



targeted because of their steady stream of income. With a basic understanding of what each product is designed to protect as well as a firm understanding of your own needs, you are far less likely to get talked into buying more insurance than you need or investing in something you do not fully understand. Make sure you understand your insurance policies, including the fine print.

SOURCES OF HELP

When making choices about insurance, make sure they are informed decisions. Check with your Command Financial Specialist (CFS) or a Fleet and Family Support Center (FFSC) financial counselor for additional information and resources. Visit websites such as the VA, Social Security Administration, Consumer Financial Protection Bureau, TRICARE or Navy Gold Star.

By using the basic information, handouts and calculator information in this course, not only will you be sure to purchase the best insurance for your needs, you will also have purchased tremendous peace of mind.



OPTIONAL LEARNER ACTIVITY: Insurance IQ Test

Time: 10 minutes

Materials and Preparation: Index cards, pens and pencils.

Procedure: Review the 10-question quiz using the Insurance IQ PowerPoint deck or *Insurance IQ* handout. The PowerPoint deck is animated to remove incorrect answers to each question with one mouse click.

1. How does insurance protect us against the risk of bad things happening?
(Answer: Transferring risk)
 - a. Avoiding risk
 - b. Reducing risk
 - c. **Transferring risk**
 - d. Preventing risk
2. When choosing renters insurance, it is best to opt for this type of coverage to get the most value for lost items: (Answer: Replacement value)
 - a. Cash value
 - b. **Replacement value**
 - c. Estimated value
 - d. Projected value

3. What is the maximum life insurance provided by the government to service members on active duty through SGLI? (Answer: \$400,000).
 - a. \$100,000
 - b. \$200,000
 - c. \$300,000
 - d. **\$400,000**
4. This automotive insurance pays for your legal responsibility to others for bodily injury or property damage. (Answer: Liability insurance).
 - a. **Liability insurance**
 - b. Property insurance
 - c. Medical insurance
 - d. Uninsured motorist insurance
5. This type of insurance pays a death benefit and includes a savings vehicle. (Answer: Whole life insurance).
 - a. Term insurance
 - b. **Whole life insurance**
 - c. Health insurance
 - d. Long-term care insurance
6. This type of life insurance covers beneficiaries for a period with a specific starting and ending date. (Answer: Term insurance).
 - a. **Term insurance**
 - b. Whole life insurance
 - c. Variable life insurance
 - d. Universal life insurance
7. This is often added to a homeowners or automotive policy to cover assets above average limits. (Answer: Umbrella policy).
 - a. **Umbrella policy**
 - b. Liability policy
 - c. Long-term care policy
 - d. Whole life policy

8. In the event of a divorce, which is most critical for insurance policy holders? (Answer: Put all insurance policies in your own name).
 - a. Review life insurance policies for current market value
 - b. **Put all insurance policies in your own name**
 - c. Reduce all insurance policies
 - d. Add an umbrella policy to standard insurance
9. When separating from the military, what is typically the most expensive insurance to replace? (Answer: Health insurance).
 - a. Auto insurance
 - b. Renters insurance
 - c. Life insurance
 - d. **Health insurance**
10. This resource will help you best determine your insurance needs. (Answer: Insurance calculator).
 - a. Insurance salesperson
 - b. **Insurance calculator**
 - c. Insurance quote
 - d. Insurance

Insurance IQ Test

Check your knowledge of insurance with this short quiz.

- How does insurance protect us against the risk of bad things happening?
 - Avoiding risk
 - Reducing risk
 - Transferring risk
 - Preventing risk
- When choosing renters insurance, it is best to opt for this type of coverage to get the most value for lost items?
 - Cash value
 - Replacement value
 - Estimated value
 - Projected value
- What is the maximum life insurance provided by the government to service members on active duty through SGLI?
 - \$100,000
 - \$200,000
 - \$300,000
 - \$400,000
- This automotive insurance pays for your legal responsibility to others for bodily injury or property damage.
 - Liability insurance
 - Property insurance
 - Medical insurance
 - Uninsured motorist insurance
- This type of insurance pays a death benefit and includes a savings vehicle.
 - Term insurance
 - Whole life insurance
 - Health insurance
 - Long-term care insurance
- This type of life insurance covers beneficiaries for a period with a specific starting and ending date.
 - Term insurance
 - Whole life insurance
 - Variable life insurance
 - Universal life insurance
- This is often added to a homeowners or automotive policy to cover assets above average limits.
 - Umbrella policy
 - Liability policy
 - Long-term care policy
 - Whole life policy
- In the event of a divorce, which is most critical for insurance policy holders?
 - Review life insurance policies for current market value
 - Put all insurance policies in your own name
 - Reduce all insurance policies
 - Add an umbrella policy to standard insurance
- When separating from the military, what is typically the most expensive insurance to replace?
 - Auto insurance
 - Renters insurance
 - Life insurance
 - Health insurance
- This resource will help you best determine your insurance needs.
 - Insurance salesperson
 - Insurance calculator
 - Insurance quote
 - Insurance policy

Life-Cycle Approach to Insurance Needs

Insurance planning begins with an assessment of your needs. If nothing changes, leave your plan alone. But with major life events, reconsider your plan.

SINGLE IN QUARTERS

"I don't need any insurance. I live in government quarters. I don't even have a car."

Renters policy – Still necessary to cover your possessions.

Life insurance – Only if someone depends on your income; otherwise, consider a small amount to cover final expenses. SGLI is enough.

MOVING OFF BASE

"I commute to work with a friend and I am just buying some furniture on credit. Since I don't have much, I don't need insurance to cover it."

Renters policy – Necessary to replace your possessions, including those you are paying off.

BUYING A CAR

"I am buying a car with a big monthly payment, there's no way I can afford insurance. I'll just take my chances."

Auto insurance – Required for on-base driving. Required by state law at set minimums.

- Liability coverage pays for others' losses if you are responsible.
- Collision and comprehensive coverage.
- Uninsured/underinsured motorist coverage.
- Medical payments.

GETTING MARRIED

"Wow, this is such a big step, with so many things to consider. I don't want to think about those negative things right now."

Life insurance – If someone depends on your income, review your plan and determine your needs. FSGLI offers inexpensive spousal coverage.

Health insurance – Use the TRICARE system at low or no cost. Consider supplemental policy if far away from a medical treatment facility or if there are special health needs. Sign up for DEERS and add to Page 2.

Dental – Remember to sign your new family member up for the Dental Health Program.

Auto – Review and adjust as necessary.

Renters policy – Review and adjust as necessary.

HAVING CHILDREN

"I have a baby now. I'm supposed to be responsible, but I don't even know where to begin."

Life insurance – Needs will increase now due to the long-term financial responsibilities of raising a child. In addition, insure the other parent. FSGLI is available up to \$100,000. Children under 18 get \$10,000 automatic coverage under FSGLI.

Health – Add child to DEERS and Page 2.

Dental – Wait until the child has teeth and/or needs to begin care; first visit around age 2–3 years.

Auto – Review and adjust as necessary.

Renters policy – Review and adjust as necessary.

BUYING A HOME/CONDO/MOBILE HOME

“I’ve just made the biggest purchase of my life. Now I want to protect my investment and find a way to pay off this debt if something happens to me.”

Homeowners insurance – Required by your lender and needed to cover the real property and your personal possessions. It also includes liability coverage for someone injured on your property.

Life insurance – Needs increase at this time due to the mortgage you are carrying. If you want to be able to pay it off, then you must carry enough insurance to do so.

INCREASING ASSETS

“I am finally starting to accumulate some possessions and put money aside in investments. Now I worry about how to protect these assets from a lawsuit.”

Umbrella policy – Wide coverage for minimal costs. This is in addition to homeowners and auto insurance. It covers you above the limits of these policies for your liability in a lawsuit.

Long-term care – Coverage for nursing/in-home care later in life.

Homeowners– Review and adjust as necessary.

Auto – Review and adjust as necessary.

Life – Review and adjust as necessary.

DIVORCE

“My spouse said she would continue to cover me on the auto insurance policy, but now it’s been canceled. What should I do?”

Divorce can happen anytime in the life cycle. Review all policies and adjust as necessary. Put policies in your own name.

Life insurance – Reconsider your needs and whom you list as your beneficiary.

RETIREMENT/SEPARATION

“I am getting out of the military in a few months. Will my insurance needs change?”

You have been provided many benefits at low or no cost which you now must cover yourself.

Life insurance – Increase your policy to cover the loss of SGLI or consider VGLI (Veterans Group Life Insurance).

Health/Dental – Shop for a policy if not provided by your next employer. Personal health policies can be very expensive. Even if you are eligible for Medicare or Medicaid, you may need a supplemental policy.

Disability – You may be provided coverage by your employer; otherwise, you should look for a policy to replace a portion of your income should you be injured or become ill.

Auto – Review and adjust as necessary.

DEATH

“My spouse just passed away. What can I expect financially?”

Active-duty members

- Death gratuity: \$100,000 paid within 36 hours
- SGLI: Up to \$400,000
- Dependency and indemnity compensation
- Accumulated leave and/or arrears in pay
- Burial
- Travel or funeral
- 12 months’ BAH or time in quarters
- Final household goods shipment
- Survivor Benefit Plan (SBP) Automatic
- Social Security survivor benefits
- Veterans Affairs education

Out of military:

- Benefits will depend on the policies you have put in place

Retirees:

- SBP, if elected
- Social Security
- Burial
- Homeowners – Review and adjust as necessary.

Organizing Your Records

INFORMATION TO KEEP:

1. For each individual life insurance policy, record the following information:
 - The full name of the life insurance company that issued the policy.
 - The city and state of the home office of the company that issued the policy.
 - The name and U.S. headquarters of the group, if the issuing company belongs to a group of companies.
 - The policy number.
 - The date the policy was issued.
 - The amount of the death benefit.
 - The name and address of the agent/broker who sold you the policy.
 - The type of policy (e.g., term, whole life).
 - The location of the original life insurance policy.
2. For each employer-provided or group (e.g., trade association) insurance benefit, record the following information:
 - The name of the employer or group that sponsors the insurance.
 - The office or person to contact when it is time to file a claim.
 - The certificate number (comparable to the policy number under an individual policy).
 - The date the insurance was started.
 - The amount of the death benefit.
3. For death benefits that are features of annuities, workers' compensation programs, disability insurance, travel accident insurance, etc., record the following information:
 - The type of policy that has a death benefit as part of its features.
 - The full name of the life insurance company that issued the policy.
 - The city and state of the home office of the company that issued the policy.
 - The policy number.
 - The date the policy was issued.
 - The amount of the death benefit.
 - The name and address of the agent/broker who sold you the policy.
 - The location of the original insurance policy.
4. For each life insurance benefit dedicated to paying off a loan (credit cards, etc.), record the following information:
 - The full name of the lending institution through which you obtained the life insurance.
 - The loan number and issue date of the loan.
 - The name of the person or office to contact when it is time to file a claim.
 - The policy number of the life insurance policy that pays off the loan.



WHERE TO KEEP THE INFORMATION:

Keep one set of these records in your home, in a place where others who need this information are likely to find it. After placing the information there, make your family/loved ones aware of its location. This could be the same place you keep other financial records, legal papers or anywhere your survivors are likely to look for them. Keep another set of these records off site – that is, outside your home, perhaps in a safe deposit box or with a trusted relative or professional who can produce the documents when needed. On each page, record the date on which the information was last updated.

Shopping Tips for Insurance

SAVE MONEY ON AUTO INSURANCE

- Compare prices. Get at least three quotes.
- Use the auto-insurance buyer's guide.
- Don't buy collision and comprehensive insurance from the lender.
- Buy a car that is inexpensive to repair.
- Raise the deductibles (but have money in savings).
- Have sufficient liability coverage.
- Consider dropping collision insurance on older cars.
- Take advantage of discounts: good driver, safe vehicle, good student, low mileage, occupational, Internet.
- Describe exactly how your car is used.
- Notify the insurer about changes that could lower rates.
- Pay the entire premium when it is due.
- Share your car with a teenage child (insurance for a car they own is more expensive).
- Drive safely.
- Check with the Insurance Institute for Highway Safety for vehicle ratings.
- Multi-policy insurance: buy all policies from the same company.

TIPS TO REMEMBER

- Purchase insurance to cover catastrophic losses, not small losses.
- Generally, one comprehensive policy is better than a number of smaller ones.
- Always shop for a policy which is guaranteed renewable and non-cancelable.
- Never drop essential coverage until another policy is in force.
- Purchase insurance from a financially strong company.

SAVE MONEY ON HOMEOWNERS INSURANCE

- Compare prices. Get at least three quotes.
- Buy all your property and casualty insurance from the same company.
- Install deadbolt locks, smoke detectors, a fire extinguisher and burglar alarms.
- Pay annually.
- Raise the deductible.
- Quit smoking.
- Buy replacement-cost coverage. Have sufficient liability coverage. Buy a recently built house.
- Don't over-insure (don't include price of the land your house is on).

WEBSITES

- Department of Veterans Affairs: www.va.gov
- TRICARE (health insurance): www.tricare.mil
- Consumer awareness: www.consumerworld.org
- General insurance information: www.iii.org
- Insurance fraud: www.insurancefraud.org
- Insurance quote comparison: www.insweb.com
- Insurance news and analysis: www.ambest.com
- Federal Long-term care insurance: www.ltcfeds.com
- Long-term health insurance: www.aaltci.org
Navy Gold Star: www.navygoldstar.com
- Consumer Financial Protection Bureau: www.consumerfinance.gov
- Social Security Administration: www.ssa.gov
- Insurance consumer education: www.naic.org