

TYPES OF LIFE INSURANCE

- TERM
- ROP
- UNIVERSAL
- WHOLE

Contact your Absolute Agent for additional info on the coverage you need.

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Life Insurance Awareness Month

September is life insurance awareness month and I'd like to take a moment to dispute an article concerning the best plans to take out. To begin, I must admit that I am an AOL news junkie and there was a recent article that boiled me over a bit. The article was concerning life insurance and suggested that term was the only way to go. This is a blatant falsehood as each of the products have benefits and limitations. Term policies are very good insofar as the coverage is needed for only a finite period of time. The inherent problem with a term policy is that it will cease after a period of time. While there are policies that are permanent in nature, they may not be cost effective to run all your life insurance through a



There are two reasons to buy life insurance: you owe someone, or you love someone.

permanent policy. Sometimes it is a good idea to have a couple of types of policies for your various needs. For instance, hold a term policy to cover your debts at the time or prospective future debts at the time applying, such as

home, car, and student loans and also have a smaller benefit amount tied in with a permanent policy in order to cover final expenses and assist with the livelihood of the surviving members of your family.

The type of policy that best fits your needs is no simple answer. There are a lot of variables to consider when approaching the subject and multiple answers that can see those objectives through. Some of the things to consider is your age, family size, income, debts, current investments, and many more.

Since it is life insurance awareness month, what better time to educate yourself on the policies available and which type or type mix will fill your needs?

Free Life Insurance? Really?!?

Okay, now that I've got your attention, I'd like to introduce a new concept in the life insurance market. Well, not actually new as this coverage has been around on the permanent side for a bit, but there is now a Return of Premium (ROP) Term policy available. This type of policy works exactly like a term policy

with relatively cheap premiums for a specified matter of time, with the exception that after the term time frame is over, you'd get back every dollar spent in the premiums over the course of the term. For example, if you pay \$500 a year for the Return of Premium 20 year policy, then at the end of the 20 years, the com-

pany would mail you a check in the amount of \$10,000 tax free. This is a nice fit for individuals looking for protection over the course of a loan, like a home mortgage, or other finite events. In a way, then, this is free life insurance! Ask your Absolute Agent for further details.



“Consult your Absolute Agent and describe your situation in order to ensure you have the (correct) protection”

By spending that “inheritance” while they are living, they can have a more productive and enjoyable retirement because they know the life insurance policy will be there for their children.

Back to School: Kids in College

As the days slowly close out sooner and the weather begins to cool down, we know it is time for recent high school grads to ship off to college and start their higher education process. This is a wonderful time for both parents and students alike, but also one that can be emotionally and financially depleting. As your student goes away to school, some interesting problems can develop in terms of how to cover the property of the new student while living outside the home.

To begin, living arrangements

for new students can vary widely, whether they must stay in the dorms or our living in an apartment, or rented home. Some other issues may present themselves as to whether the student will return home for the breaks and summer, or will they have a permanent address while living in the college town. Some of the answers to these situations may lead you down different paths for the proper coverage of the students property.

While most companies are willing to extend the personal property out to the student in

the event that they are Full Time students and their permanent address is still at home, there can be variances on how things are covered in the event that they live in an apartment and consider that their permanent mailing address.

Another aspect to consider is the fact that some of these students will be operating a vehicle while at school and it will become important to correct the vehicle garaging zip code.

Consult your Absolute Agent and describe your situation in order to ensure you have the

Life Insurance as Wealth Replacement

Many seniors are worried about outliving the money they’ve worked so hard to accumulate. Others have accumulated enough cash and don’t have to worry. Both groups would also like to be able to have enough money left over to leave to their children when they die.

They are the ones who have always been frugal, saving money whenever and wherever they could. It’s how they got to where they are today. They also have a strong belief that they want to leave something behind, especially for their family, so they can be remembered. Unfortunately, this can impact the lifestyle they should be able to live now that they are retired.

A permanent life insurance policy, like our Celestial Life 5 universal life policy, can be a solution to help provide these individuals with the freedom to enjoy the money they’ve worked so hard to accumulate and still leave a legacy for their children or grandchildren.

Many people think that they don’t need life insurance after they retire, but a good permanent life policy can allow you to spend your retirement dollars more aggressively, knowing that the assets you are depleting will be replaced at your death by the income tax-free death benefits from the life insurance policy. Why shouldn’t a couple be able to travel when they want to, spoil their grandchildren, and generally have some fun? Why do they need to save that money just so their kids can fight over it? I’m sure you’ve all seen the bumper sticker that says “We’re spending our children’s inheritance.” We may laugh, but the concept isn’t necessarily a bad thing. By spending that “inheritance” while they are living, they can have a more productive and enjoyable retirement because they know the life insurance policy will be there for their children.

Permanent life insurance also has two other advantages—

first, the death benefit is received income-tax free. Many of the assets they could pass to their children can incur income taxes or capital gains taxes, either of which will reduce the value of the asset being passed.

Second, life insurance death benefits pass to the beneficiaries without going through probate. They pass immediately. Other assets they have generally have to go through probate before being passed to the heirs, and can be delayed a considerable amount of time before getting to the ultimate beneficiary. However you look at it, a permanent life insurance policy can provide the peace of mind necessary to allow you to enjoy life after retirement and to still leave something for your children.



Understanding Insurance Jargon 101

(NAPS)—Understanding insurance can often be like trying to learn a foreign language. Many find it confusing and intimidating.

Fortunately, there's help. Here is a quick reference designed to help you understand some of the most common kinds of coverages. The reference was put together by The Progressive Group of Insurance Companies.

Liability covers bodily injury and property damage (BI/PD). This covers your legal liability, up to the dollar limits you select, for damages caused to others in a covered vehicle accident. In most states today, liability insurance is mandatory.

Under BI/PD, your insurance company pays for damages to an

injured person and for property damage that you are legally obligated to pay as a result of an accident. If your policy covers you in the event you're sued after an accident, your insurance company will pay for a lawyer to defend you.

Liability limits generally appear as three numbers, for example, 25/50/25 or 100/300/100. The first number refers to the maximum amount, in thousands, that your insurance company is obligated to pay for bodily injury per person. The second number is the maximum that would be paid out for bodily injury per claim and the third number represents the maximum amount your insurance company is obligated to pay for property damage you cause.

Collision. When you buy collision coverage, your insurance company pays for damages if your vehicle collides with another vehicle or object. Collision coverage involves a deductible amount you select when you purchase your policy. This amount is what you are required to pay before your insurance company starts picking up the tab. Remember, the deductible amount is the amount you need to pay in the event of a claim.

Comprehensive covers damage caused by events other than a car collision— such as fire, theft, vandalism, hail, or flood. It also covers damage caused by your vehicle colliding with an animal. Like collision coverage, a deductible usually applies.

Medical coverage. Depending on the state in which you live, you may have available to you Medical Payments coverage or Personal Injury Protection (PIP) coverage. While these both work differently, they provide coverage for medical care provided to you as a result of a car accident.

Your Absolute Agent can help you determine the price, coverage, and service that best meets your needs.

“Liability covers bodily injury and property damage. This covers your legal liability... for damages caused to others in a covered vehicle accident”



Did You Know?

Liability insurance is for bodily injury and property damage. This covers your legal liability, up to the dollar limits you select, for damages caused to others in a covered vehicle accident. In most states today, liability insurance is mandatory.

(Article provided by Progressive)

Absolute Kitchen: Lemon Tomato Jam

Bessie Eastvold provided the following recipe and I must admit, this does sound a little strange. So strange, in fact, that I am oddly drawn to trying it! I never would have thought to put these ingredients together, but I never thought a BBQ sauce could be made out of mustard! Thank you for your contributions, Bessie, I definitely have to give this one a shot!!!

Ingredients:

- 3 cups sugar
- 3 cups mashed tomatoes
- 1/2 teaspoon margarine
- 1 box Lemon Jell-O

In a medium sauce pan, combine all ingredients .

Boil for 10 minutes and put in jars and freeze. Enjoy!

I'm not exactly sure what this will best compliment but I'm intrigued enough to give it a shot. Let us know if you give this one a shot and what it goes with best! If there is a recipe you'd like to share, please send to dan@insaia.com.



And the Answer is....

Q: I lent my car to a friend and they were in an accident. Their insurance will cover the damages, right?

A: No and Yes. Insurance follows the vehicle as primary. In this case, if your friend was At-Fault, your auto coverage would pay out on the claim, up to the policy limits. In the event that those limits are insufficient, then the drivers insurance would come into play. An important thing to consider here also, is that while you may not have been driving, if the car is titled to you, you could still be held liable for any damages and medicals due to the other party after all insurance has been exhausted. Lesson to learn: **DO NOT LEND OUT YOUR VEHICLE!!!**

Q: I hit my house with my car. My car liability will cover the damage to the home, right?

A: NO! Liability is defined as an act of negligence against another. By definition you cannot be liable to yourself. In this situation, your home insurance would cover the damage to the home but you would have to pay your deductible.



Q: My wife's wedding ring was lost while skiing. Is this covered under my home insurance?

A: No. Home insurance covers jewelry up to a limit (usually \$2,500) against the same perils as your other property. Simply losing it would not be covered. The best way to insure jewelry is by getting it appraised and having it scheduled to your home insurance policy. In this way, the jewelry would be insured against being lost and there would be no deductible. The average cost for this coverage is approximately \$8 per thousand in coverage per year. By this, a ring valued at \$5,000 would cost \$40 per year to schedule on the home insurance policy.



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