

■ 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."

- Renter's 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."

- Renter's policy - Absolutely 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.
 - 1) Liability coverage pays for others' losses if you are responsible.
 - 2) Collision and Comprehensive coverage
 - 3) Uninsured/Underinsured motorist coverage
 - 4) 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 - Use the TRICARE system at low or no cost. Consider a supplemental policy if far away from a military treatment facility or 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.
- Renter's 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.
- Renter's 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."

- Homeowner's Insurance - Required by your lender and needed to cover both 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.
- Homeowner's – 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 cancelled. What should I do?"

- Divorce can happen anytime in the lifecycle. Review all policies and adjust as necessary.
- Reconsider your life insurance needs and who 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/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.
- Homeowner's – Review and adjust as necessary.

Death

"My spouse just passed away, what can I expect financially now?"

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
- VA Education Benefits

Out of Military:

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

Retirees:

- SBP if elected
- Social Security
- Burial

