Westco Financial News

WESTCO FINANCIAL NEWS SEPTEMBER 2019

Editor & Publisher
Lori Barrett

Staff Writers
Lori Barrett
FreeAdvice.com
Ashlea Ebeling (Forbes)

INSIDE THIS ISSUE:

Life Insurance Review

Part of our job as a financial advisor is to help you manage the risk in your life.

So I have a question that will help me help you. Have you recently received a statement from an insurance company on an annuity or life insurance policy you own with them? Like other areas of your portfolio, we should review your life insurance policy periodically to make sure it is meeting your goals.

These are just some of the events that may indicate a need to review your policy:

- **Change in marital status**
- **Change of occupation**
- **Purchase or sale of a home**
- **Death of a parent or grandparent**
- **Birth or adoption of a child or grandchild**

Additionally, if you have owned your policy for over five years, you may want to make sure your earnings or rates on the policy are competitive and keeping up with inflation. I can help you to determine whether your policy is meeting your needs, and if there are any beneficiary changes.

Please call Lori at 516-593-5070 to schedule an appointment to review these items. Be sure to bring your most recent financial statements to this meeting.

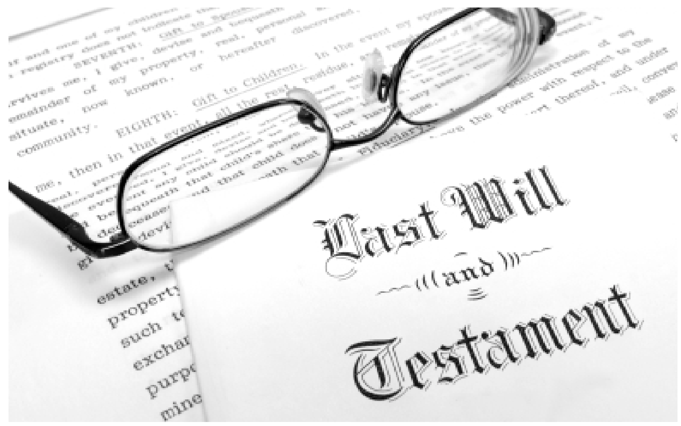
We look forward to hearing from you.

P.S. There is no cost or obligation for this review, and the information provided could make a difference in your financial future.

Dividing Your Assets in a Will

By FreeAdvice.com
Free Advice Staff

No single event has greater potential for dividing a family than dividing an inheritance. This often brings out the best in some people and the worst in others. Even in the most stable families, some members view their relative worth only as tangible assets. In the highly charged emotional environment surrounding the loss of a loved one, any strains in the relationships of those left behind are magnified. Suspicious minds are more finely honed and, if the estate is left to the survivors to divide, any spark can ignite a small conflagration.



You can minimize the potential for a family meltdown by consulting an estate attorney when you prepare your will, and by leaving precise, written instructions for dividing your assets among your heirs. You can divide your assets any way you want, but the guidelines must be presented clearly in writing.

The portion of your estate covered by a will includes both tangible assets, such as your home or your car, furniture, artwork and other collectibles, and intangible assets, such as bank accounts, stocks, insurance policies and mutual fund shares owned in your name. You don't want to describe all your assets in your will to be sure you don't leave out existing assets and assets obtained subsequent to the drafting of the will. Instead, you want to describe only those assets to be bequeathed to specific heirs; then divide the rest of your estate in specific ratios to specific heirs. An example might be 20% of the total in all your bank accounts (and list them) to each of your five children.

When you divide your assets, be precise in your wording so your intentions cannot be misunderstood. Be especially careful to avoid ambiguous statements. For example:
John writes in his will: "I bequeath my sailboat to my daughter, Penny, and the remainder of my estate to my son, Jack." According to Jack, the trailer on which the sailboat stands is his; or

David's will says he leaves all his cash to his daughter Janet, but does not specify exactly what this cash is. Is it the bills and coins that David had in his wallet on the day he died? Does it include his savings account at the bank, or perhaps the returns of his life insurance policy? Or is it simply the balance in his checking account? Besides preventing endless legal hassles, clarity in your will regarding the division of your assets will go a long way towards keeping peace in the family once you are gone.

The Big Millennial Life Insurance Gap

By Ashlea Ebeling (Forbes)

Only 10% of Millennials say they have enough life insurance in place to cover self-reported needs should they die, putting their family members at risk. That's the sobering news from New York Life's 2018 Life Insurance Gap Survey. Millennials with life insurance have an average of $100,000 in life insurance protection in place, enough to cover one fifth (22%) of their self-reported coverage needs of $452,000. That's a coverage shortfall of $352,000.

"It's not an issue of Millennials not wanting to get life insurance; it's more a prioritization issue," says Brian Madgett, who leads New York Life's national life sales and its advanced planning group. "The concept of taking care of their families and loved ones is in competition with the big screen tv, car and even that daily cup of coffee." Not to mention their student loan debt—and the desire to save for their children's education.

Millennials—anyone born between 1981 and 1996, so ages 22 to 37 this year—report a 78% shortfall in life insurance coverage, according to the survey. By contrast, Gen Xers, born between 1965 and 1980, so 38 to 53 this year—report a 48% coverage shortfall. For Gen Xers, the median amount of life insurance coverage they say they have in place is $272,000, while they say they need $525,000. Baby Boomers say they have $190,000 of coverage but need $300,000—a 37% shortfall.

Madgett suggests using the life insurance gap data as a conversation starter over the holidays. Listen up when a family member says, "'Hey, you need to take care of this,'" he says. I remember my dad nudging my husband and me to get term life insurance policies. We finally did when we had kids.

Buying a home and having kids are the two big things that prompt people to get coverage. Get enough insurance to replace the lost income of the deceased, so the surviving spouse can carry on with paying the mortgage and saving for retirement. The American Institute of CPAs has a life insurance needs calculator to help you determine how much you really need. If you have life insurance coverage at work, keep in mind that that policy might pay only one- or two-years' salary, and it will likely end if you leave your job.

Term life is relatively cheap. You pay a set amount each year, typically for 20 or 30 years, for a guaranteed benefit (the tax-free payout if you die while the policy is in force). For a healthy 35-year-old male, it would cost about $250 a year for a 20-year level term policy with a $500,000 death benefit, according to Term4sale.com, where you can run your own numbers. Or go out 30 years until retirement, for $450 a year.

Buying younger lets you lock in a lower level premium. Buying longer can get you coverage through retirement. Premiums vary greatly for the same product from different insurers, so shop around. And make sure you assess the financial strength of the insurance company before you buy. The Insurance Information Institute has links to the ratings agencies and explains why you should check out more than one.

Westco Financial Group
77 Hempstead Ave.
Lynbrook, NY 11563

Westco Financial Group
77 Hempstead Ave.
Lynbrook, NY 11563
Tel: 516-593-5070

Westco Financial Group
150 Motor Parkway
Suite 401
Hauppauge, NY 11788
Tel: 516-593-5070

Westco Financial Group
2875 Main Street
Stratford, CT 06614
Tel: 203-908-4060

What's Happening at Westco!

Hope everyone had a great summer!

This month is our final month of Risk Management at Westco Financial Group!

Call Lori Barrett (516) 593-5070 to schedule your complimentary Risk Analysis TODAY.

Our regular fee of $600 will be waived for a limited time!

This evaluation is complimentary for our existing clients, but you must act NOW and sign up by September 30th, 2019. Fees will apply for non-Westco clients.