LET'S TALK MONEY®

November/December 2019

Life Insurance with a Purpose

Whole life insurance* has become a multipurpose financial protection vehicle, offering a combination of benefits beyond basic life insurance protection when you choose certain options. Some policies include everything from optional long term care benefits and terminal illness benefits to the availability of cash withdrawals for just about any reason, including extra retirement income.

Some of these options may make sense; others won't. In all cases, a life insurance policy cannot provide a full death benefit while also offering benefits for other reasons. Let's take a look at a few situations to see how these options work.

Cash Withdrawals

Just because a whole life insurance policy allows policyowners to withdraw some cash value doesn't mean you should do it. In many cases, subtracting cash value from a policy will automatically lower the death benefit.

Taking a cash distribution may work for you if you are retired, have a paid-off mortgage and a decent amount of other assets. This may not work if you are in the prime of your earning years, have young children and a good amount of future financial goals yet to be financed. It also may not work if you intend to leave your life insurance as a financial legacy to loved ones or a favorite charity.

Long Term Care

Another optional benefit offered by some whole life insurance policies is the ability to use a portion of the policy's death benefit for qualified long term care costs. This is good news for consumers who can't afford standalone long term care insurance, whose premiums have increased of late. Again, even this well-intentioned option will affect the other reason you bought life insurance – to protect loved ones financially after you're gone. Weigh your choices carefully.

Terminal Illness

Another well-intentioned option many insurance companies offer is the opportunity to accelerate death benefits when the insured person has a terminal illness, subject to certain qualifications. Talk with an insurance professional to learn if these policies are right for you.

** Applications for life insurance are subject to underwriting. No insurance coverage exists unless a policy is issued and the required premium to put it in force is paid.*

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I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Insurance Version

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Five Ways to Stay Safe Online During the Holidays

If you're among the increasing number of consumers who will make holiday purchases online this holiday season, it makes sense to learn how to protect your identity and other personal information. Consider the following steps to make your online shopping more secure.

1. Trust Matters – Shop only on retail sites you know and trust. If you're not sure, check for independent reviews of a company and its products.

2. Safeguard Your Vital Info – Strong passwords are a must, especially if you store credit card information on an online retailer's website.

3. Make Sure the Site is Secure – Anytime a website accepts or stores your financial and other identifying information, it should be secure. A website won't be private if it doesn't have a lock icon or an "s" after the "http" that begins its address.

4. Use a Credit Card – Use a credit card from a company that will work for you to resolve disagreements with retailers and offers your money back if the card is misused. Debit cards typically don't offer the same security.

5. Stay Private – Don't use public Wi-Fi for any purchases and don't offer any information a retailer will not need, such as your social security number.

What to Look for in Travel Insurance

If you book a vacation package or cruise trip for the holidays, you may want to protect your financial investment with travel insurance. All travel insurance, however, is not the same, so you should look for certain features that you may want as part of any travel protection you buy.

What Qualifies

Examine the events a policy will recognize as qualifying for insurance benefit , such as trip cancellation due to illness or a death in the family, a missed connecting flight or a natural disaster. Many policies will not, however, insure your trip's cost if you cancel because your boss needs you.

What's Covered

It pays to understand what's covered by your travel insurance. Will it reimburse you for lost luggage? How about medical costs incurred overseas (because your health insurance may not cover them) or even a medical evacuation? You may need to buy a separate health insurance policy to pay for medically-related costs incurred abroad, but talk with your existing health insurer first o see if you're already covered.

What's Not

When buying travel medical insurance, make sure all of your stops are included if you are visiting multiple countries. Also check to ensure any coverage includes preexisting conditions.

Some policies will reimburse you for other events, such as theft involving your belongings and your identity, and a few will reimburse you if you cancel a trip for any reason. Read your travel insurance policy's fine p int to make sure you get the coverage you want.

Giving to Charity Still Matters

With the most recent federal tax changes including a much larger standard deduction, charity watchers wondered if the resulting smaller number of taxpayers itemizing deductions would hurt charitable giving. The jury is still out.

Mixed Results

In 2018, charitable giving rose modestly, but the number of donors actually decreased, according to the Fundraising Effectiveness Project. The increase was due to a greater number of donations of at least $1,000, according to the organization.

Give More

If you itemize deductions on your tax return, you can deduct even more charitable cash donations. Deduct qualified ifts up to 60% of your adjusted gross income (AGI). That's up from 50%. Rules differ if you donate appreciated assets, but they can potentially lower your capital gains. Talk to your tax professional to learn how.

If you might otherwise take the standard deduction and you contribute to a donor-advised fund, consider bunching two or three years of donations into one, and then itemize all of them on your tax return and take the standard deduction in subsequent tax years.

Give Regardless

Even without the tax deduction, the main reason most people give to charity still exists: to make a difference. Remember that charitable contribution tax changes will expire with many other individual provisions after 2025 unless made permanent before then.

Avoid These Money Mistakes!

Millennials, many who came of age during the last recession and have record amounts of student debt, are sometimes hesitant to make financial decisions. However, they shouldn't let their hesitation lead to these money mistakes:

Being Too Extreme

With time on their side, Millennials can afford to be aggressive financiall . This doesn't mean they should put all -- or any of – their money into questionable investments. At the other extreme are Millennials who won't accept any risk, no matter how small. Explore your financial opportunities and make the appropriate choices.

Operating Without a Net

If you don't have an emergency fund, you are living without a financial sa ety net. Put a few dollars into a separate fund each paycheck to help cushion potential financial shock , including unemployment and expensive home or auto repairs.

Not Saving Enough

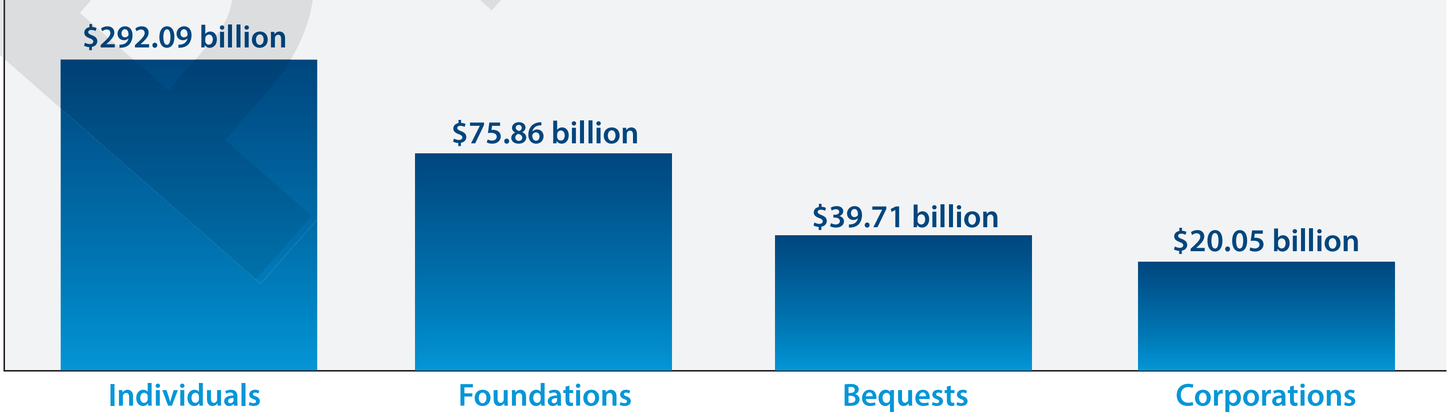
Your savings will grow exponentially with the time you give them to grow, so save something – anything – starting today. Your older self will appreciate your early efforts.

Ignoring Your 401(k)

If you have a company-sponsored 401(k) plan and you're not contributing to it, you're missing a big opportunity. Contributions are tax-deferred and potential earnings grow tax-free until withdrawal. Plus, you're really missing out if you don't contribute at least what your employer will match.

How We Give

In 2018, Americans gave more than $400 billion to charities and favorite causes.
The breakdown from Giving USA Foundation (of 2018 contributions) is as follows:



Filling in the Cracks

If you think of estate planning as something that is necessary for only the very wealthy, it might surprise you to learn differently. From keeping an updated will to having healthcare and legal powers of attorney, estate planning is so much more. And with so much paperwork involved to ensure your loved ones inherit what you intend, it's easy to miss a crack or two that can create an estate planning nightmare.

Whether you're creating your first estate plan or updating an existing one –with the help of an estate planning attorney – there are some missteps you can avoid when you know what to look for. Here are a few tips:

Even-Steven

An estate plan may include tax-saving strategies, but its basic intent is to govern how your assets are distributed when you're gone. Many estate plans and wills go the Even-Steven route, simply stating that heirs receive the exact same percentage of assets. That works when you're distributing cash. It doesn't if you have to split Grandma's brooch or Grandpa's handmade chess set three ways.

There are two ways you might distribute the assets that can't be split, and both begin with conversations with heirs to learn what is meaningful to whom. Once determined, you might distribute these assets while alive. Or you can add specific language to your will to ensure everyone gets their assets intact.

Match Assets

You don't need a will to distribute life insurance policy proceeds, IRAs and other retirement accounts because they already have – or should have – beneficiaries designated. Another reason to not include this information in a will is the public glare of probate. If you must include this information in your will or estate plan, take extra care to make sure beneficiaries and assets line up.

Review Regularly

Whether dealing with beneficiary-linked or will-directed inheritances, make it a practice to review your designations and will at least annually. Divorces, remarriages, blended families, new family members and family deaths can create the need to redo beneficiary designations and change the terms of a will or estate plan.

Talk to an attorney to learn more and to a financial professional to learn how life insurance can work in estate planning situations.

We Value Your Input...

Your feedback is very important to us. If you have any questions about any of the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

August 14, 2019

Reference: **FR2019-0725-0070/E**

Org Id: 8408

1. 2019 LTM Nov/Dec Insurance
   Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

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Senior Analyst

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This year's Advertising Regulation Conference will be held on October 24-25 in Washington, D.C. For more information and to register, please access the conference webpage at www.finra.org/2019adreg.

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