Home Insurance:

What You Need to Know !!!!

Let's talk a little about home insurance.

I know—it's a bit of a boring subject, but it's absolutely a topic you need to be familiar with if you own, or ever want to own, a house.

Before you even buy a home, make sure you have three to six months of expenses saved in an emergency fund. If you have that covered, then you are definitely ready to hop in the market.

Home insurance is a requirement for most any mortgage, so let's talk about a few of the basics.

WHAT IS HOME INSURANCE?

Home insurance will cover you if you lose your home, or if your home gets damaged. It's also there as liability coverage if someone gets hurt in your home or in your yard.

God forbid your house catches on fire or a tree falls on the roof, but if it happens, home insurance has got your back. That's why it's an absolute necessity. There's no way you'd want to cover those expenses out of pocket.

HOW MUCH COVERAGE DO YOU NEED?

This is so important. I want you to look for guaranteed replacement cost when you're talking with your insurance agent. Many companies don't offer this anymore, so shop around. The deal with guaranteed replacement cost is that your home will be covered no matter how much its value increases.

Many companies have put a dollar amount on the policy. So if you have a $100,000 home, they'll cover that and maybe an additional 25%. But let's say you're in a hot market and, after five years, the value of your house increases to

$175,000. Well, the insurance policy only covers you for $125,000, so you've got to find $50,000 somewhere else if you want your home back.

Guaranteed replacement cost will cover the full value of your home regardless of the value increase. Make sense?

WHAT ABOUT DEDUCTIBLES?

A deductible is the amount of money you have to pay out of pocket before the insurance company will pay anything on the claim. Your deductible can be high or low, depending on how much you have stashed away to cover emergencies. That's one of the main reasons you need three to six months of expenses saved in an emergency fund. Your emergency fund frees you up to have a higher deductible—which will lower your premiums (annual cost of the policy)—because it can cover the "smaller" expenses that come your way.

So how do you decide if you should raise your deductible? Take a look at the risk involved. If you're moving from a $250 deductible to a $1,000 one, that's a $750 difference—all of which will come out of your pocket if something happens to your home.

By raising the deductible, you lower your premium. If you save $30 a year, then it will take you 25 years without a claim to break even. But if you save $250 a year, then you only need to go three years without a claim to break even. That's an easy choice!

When it comes to deductibles and premiums, it's important to look at the big picture, do a little math to see what works best for your situation and to find someone you can trust who can take care of your need's.

So even if you already have home owners insurance, get a quote today to make sure you're getting the best rates. I want your home to be a dream, not a nightmare. And having the right kind of insurance, will help keep that dream home a reality!

Best Homeowners Insurance Companies 2018

Homeowners insurance is meant to safeguard your home and the company that you select should be carefully evaluated. To simplify the selection process, we've evaluated the largest home insurance companies so that you can choose a company that is best for you.

Farmers: Best Homeowners Insurance for Large Policy Limit.

Home insurance shoppers who are looking to purchase a policy for an expensive home or one that is rapidly increasing in value due to home improvements should look to Farmers. Farmers offers the best rates for high policy limits and a few home upkeep discounts that could help you save on top of Farmers' already great home insurance rates. For instance, Farmers offers its policyholders a discount for replacing their roofs. Additionally, Farmers provides discounts for renovating a home's heating, electrical or plumbing systems.

Another added benefit of being insured through Farmers is that the company is well-reviewed for its customer service. Should you ever have to file a claim, you'll benefit from the company's friendly agents. Also, you can rest easy knowing that the company is financially strong—Farmers' financial strength indicates that it would have little difficulty in meeting customer home insurance claims

Allstate: Best Homeowners Insurance for New Homebuyers

Among the largest home owner's insurance companies, Allstate offers the best educational resources for first-time homebuyers by far. The highlight of Allstate's educational resources is the Common and Costly Claims tool, which allows users to input their ZIP codes in order to receive a list of the most common home insurance claims in their area. For first-time homebuyers, the tool serves as a great guide for which coverages they should consider including in their home insurance policies.

While Allstate offers discounts to all homebuyers, first-time homeowners can take advantage of a few key discounts for huge savings. The homebuyer discount and the welcome discount each offer up to 10% savings on annual home insurance costs. To qualify for the discounts you must have recently purchased a new home and be a new customer to Allstate, two qualifications that new homebuyers are likely to meet. Together, the two discounts can save new homebuyers hundreds of dollars per year.

State Farm: Best for Cheap Homeowners Insurance Rates

State Farm is the best choice for homeowners who are looking to find the cheapest rates for home insurance. State Farm's low rates, combined with its national coverage, mean that homeowners across the country are likely to find it to be the most affordable homeowners insurance company. The company offers the best homeowners insurance rates across several states, including some of the nation's largest like Illinois and California.

In addition to having the best rates, State Farm offers its customers access to a standard set of discounts and policy modification options that lead to savings. For example, State Farm gives its customers the option to choose higher deductibles, resulting in lower annual costs for home owner's insurance. The discounts and policy modifications can provide savings on what are already considered the industry's best rates.

Amica: Best Homeowners Insurance Company for Great Ratings and Reviews

Homeowners who are searching for an insurer with the best customer reviews and strong ratings will find that Amica is the best choice. Amica consistently receives top marks for its customer service, including being named the best home insurance company for overall customer satisfaction by J.D. Power for 16 years in a row. Amica's Contractor Connection program is proof of how Amica goes above and beyond for its customers: The program helps policyholders find contractors for home repairs or upgrades at no cost. Additionally, any home repairs or upgrades made through the program benefit from a three-year workmanship warranty.

Another benefit of being insured through Amica is that it's a mutual insurance company, meaning that it's owned by its policyholders. Instead of returning profits to stockholders like other insurance companies, Amica has the ability to distribute dividends to its policyholders. In order to qualify for the dividends, which can be as much as 20% of your annual home insurance costs, you must purchase a dividend policy. While dividends aren't guaranteed, Amica has a strong track record of distributing dividends.

Why Price Shouldn't Be the Sole Determining Factor

Homeowners insurance is meant to protect one of your largest assets, so be sure to carefully consider what your insurance policy covers and the policy's limits. Adding endorsements and raising your policy's limits will often increase your annual insurance costs but remember that the cost is actually helping you expand coverage of a valuable asset.

If you're concerned that you're paying too much for home insurance, you should examine the average home insurance rates in your state of residence. Most insurance companies have similar endorsements, so switching insurance companies won't necessarily cause you to have to decrease certain coverages.

Results Overview and Methodology: There isn't a single home insurance company that fits everyone's needs, so evaluate them and select the one that firs your needs best.

Auto Insurance:

Do You Need Car Insurance to Drive?

In the United States, there are a staggering 1.5 million people that drive without any type of car insurance. Given such a high number, driving without insurance must be legal, right? Wrong! Every state in the United States has minimum auto insurance laws. Most states require at least some type of liability insurance to protect other drivers on the road.

Why are there laws requiring car insurance?

Driving without car insurance can put both you and other drivers on the road in financial trouble. Without insurance, you are vulnerable to a whole set of problems – both financially and legally. If you are involved in an accident and do not have insurance, you have no way to cover medical costs and damages for yourself or anyone else that you harmed.

Is it illegal to drive without insurance in every state?

At least some form of auto insurance is required in all 50 states. State laws differ, however, when determining how much minimum insurance is required. Check your state laws to get a better idea of how much insurance is needed.

Do I need to be insured or does the car need to be insured?

Again, it varies state to state. Each state has different laws in regards to if only the car needs to be insured or if both the vehicle and the driver need to be insured. Some states not only require the driver to be insured when driving their car, but also other people's cars as well. In most states, however, in order to register a car, you must show proof of insurance.

Can I drive someone else's car if I don't have insurance but they do?

If you do not own a car and do not carry any type of insurance policy, then you will need to make sure that the auto insurance of those that let you borrow their car will cover you. you should check with their insurance provider to make sure that you will be covered when driving their car (even though you are not listed on their policy).

If someone borrows my car, are they covered under my insurance policy?

In general, auto insurance coverage pays for the vehicle, not the driver. That being said, you should still check with your insurance carrier just to make sure. Often times there are exclusions for some drivers that would disallow coverage. When in doubt, you better check. After all, it's better to be safe than sorry. (Also, if the driver who you let borrow your car gets a ticket or another type of traffic violation when driving, the ticket will be charged to them, not you.)

Are there any fines for driving without insurance?

If you are pulled over or get into an accident without insurance (god forbid), there will definitely be some type of fine you will have to pay. It will all depend on your state's laws and how lenient your judge is, but mostly likely you will have to pay a heavy fine. Usually, driving without insurance fines range anywhere from $500 to $5000. Always make sure you have insurance when driving. You don't want your $75 speeding ticket to turn into a $800 speeding + driving without insurance ticket.

If I am caught without car insurance, can I lose my license?

If it is your first offense, you will most likely just get a fine. However, if you have been caught before you most likely will have your license (and maybe vehicle registration) suspended for a very long time. Jail time is also not out of the question.

The Final Word on Needing Car Insurance to Drive

The above information should be enough to convince you that driving without insurance is not such a good idea. Not only is it illegal, it can also put you at a huge financial risk. In the United States, car insurance is needed to drive. If you are in the market for auto insurance, please get in touch with your local insurance agent or shop around to compare rates. The internet makes auto insurance shopping extremely easy – there is no logical reason why any driver should be without insurance.

Car Insurance Rates:

Auto Insurance Rates: How They're Determined

A car insurance carrier considers many factors when evaluating risk, including: Age, Gender, Location, Vehicle typ, Marital status, Accident history, Driving record, Annual mileage And Credit score.

These factors help insurers form a composite look at their customers, and evaluate which ones are most likely to cost them money through higher-than-average claims.

. Who Gets the Cheapest Car Insurance Rates?

Generally speaking, insurers offer cheaper car insurance rates to those who:
Are female, are over 25 years old, are married, Drive an older, less expensive car. Drive a car with a good safety record, Live in a rural area, have no chargeable accidents, Have no moving violations, Meet insurance low mileage standards for your state.
Have a high credit score.
Drivers with these characteristics have been shown to - on average - cause fewer accidents, report fewer claims, and cost insurers less money. That's why those who fit into most of these categories pay a cheaper car insurance rate than other drivers.
However, insurers don't weigh these factors equally. For instance, your driving record, age, and gender are more important than your marital status or credit score.

How to Lower Your Car Insurance Rate

When it comes to lowering your premiums, you have a lot of options.
Not all of the following actions may be feasible or possible for you, but they can have a positive influence on the price you'll pay for insurance:
Increase your deductibles. Lower your maximum coverage limits (be careful with this).
Take a safe driving course. Maintain a high grade point average. Have the newest safety features in your car. Drive a vehicle with a good safety record. Improve your driving record.
Have fewer chargeable accidents (i.e., accidents you caused). Move to a more rural location.
Drive fewer miles and Raise your credit score.

Like it or not, that's how the system works

. 7 Types of Car Insurance Coverage:

How Much Coverage Do You Need?

When you start to consider the various types of auto insurance coverage available it can get overwhelming. An auto insurance policy can include several different kinds of coverage. Here are the 7 principal kinds of coverage that your policy may include:

1. **Liability for Bodily Injury** – The minimum coverage for bodily injury varies by state and may be as low as $10,000 per person or $20,000 per accident. Many auto policies stop at a maximum of $300,000 or $500,000 per accident for Liability coverage. If you injure someone with your car, you could be sued for a lot of money. The amount of Liability coverage you carry should be high enough to protect your assets in the event of an accident. Most experts recommend a limit of at least $100,000/$300,000, but that may not be enough. This is no place for cheap auto insurance. If you have a million-dollar house, you could lose it in a lawsuit if your insurance coverage is insufficient. You can get additional coverage with a Personal Umbrella or Personal Excess Liability policy. The greater the value of your assets, the more you stand to lose, so you need to buy liability insurance appropriate to the value of your assets.

2. **Liability for Property Damage** – The minimum that you must carry varies by state, but that minimum is not likely to be enough to protect you in a serious accident. With many cars costing upwards of $50,000, you could easily be responsible for a substantial repair bill if you hit someone's car and it is totaled. If you have a Personal Umbrella policy, you will be covered for excess costs, but your insurance company may require that you carry more than the minimum to qualify for a Personal Umbrella policy.

3. **Collision** – Covers the cost of damage to your own car in an accident. You don't have to figure out how much to buy – that depends on the vehicle(s) you insure. But you do need to decide whether to buy it and how large a deductible to take. The higher the deductible, the lower your premium will be. Deductibles generally range from $250 to $1,000. Collision coverage is important to have if a car is new and valuable, but less important as the value of the vehicle declines. If the car is only worth $1,000 and the deductible is $500, it may not make sense to buy collision coverage. Collision insurance is not generally required by state law.

4. **Comprehensive** – Covers the cost of miscellaneous damages to your car not caused by a collision, such as fire and theft. As with Collision coverage, you need to choose a deductible. The higher deductible you choose, the lower your premium will be. Comprehensive coverage is generally sold together with Collision, and the two are often referred to together as Physical Damage coverage. If the car is leased or financed, the leasing company or lender may require you to have Physical Damage coverage, even though the state law may not require it.

5. **Medical Expenses** – Covers the cost of medical care for you and your passengers in the event of an accident. The limit you choose under Medical Expenses coverage is the maximum that will be paid for medical claims to each driver. Therefore, if you choose a $2,000 Medical Expense Limit, each passenger will have up to $2,000 coverage for medical claims resulting from an accident in your vehicle.

6. **Uninsured/Underinsured Motorist Coverage** – If you are involved in an accident and the other driver is at fault but has too little or no insurance, this covers the gap between your costs and the other driver's coverage, up to the limits of your coverage. In some states, this coverage is limited to bodily injury, while in others it may cover property damage, as well. The limits required and optional limits that may be available are set by state law.

7. **Personal Injury Protection ("PIP" or "No-fault")** – This coverage, required by law in some states, covers your medical costs and those of your passengers, regardless of who was responsible for the accident. The limits required and optional limits that may be available are set by state law.

The Best Car Insurance Companies of 2017

Amica: Best Overall Car Insurance Company

Amica was the strongest company overall, and ranked number two in J.D. Power's 2015 customer satisfaction report — that means out of 11,469 surveyed drivers, it had the second highest satisfaction rating among more than 20 different companies. It also received the highest Consumer Reports rating among auto insurance providers. Consumer Reports even noted that an overwhelming number of customers reported "relatively few" problems during the claims process.

State Farm: Best Car Insurance Company for Customer Service and Interaction

State Farm is the largest car insurance company in the nation, per Insurance Journal in 2016. Fortunately, it's also one of the best — especially when it comes to the customer service experience. In 2015, State Farm received high praise from

J.D. Power for its service interaction and claims handling. And of all the insured drivers I surveyed, it received the most positive remarks by far.
It is incredibly easy to get in touch with State Farm. You can call one of the company's 18,000 agents, go online, or even send a picture of your damaged car with your smartphone using the Pocket Agent mobile app. Compare that to Amica, which doesn't allow you to connect with an agent via an app, or file a claim through an agent. State Farm also gets high marks for a pain-free shopping experience that lets prospective customers call their local agent or chat with a representative online if they have any questions.

The Hartford: Best Car Insurance Company for Policy Options

The Hartford is only the nation's 11th largest insurer, but it still packs a punch. In fact, it had the highest score in my 12-category feature evaluation (92 out of 100). It also offers a wide range of policy options and benefits (including rates based on how much you actually drive your car and a new car replacement program for cars totaled shortly after purchase) and was the only insurer to score a perfect 100 in my vehicle-discount evaluation

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USAA: Best Car Insurance Company for Members of the Military

Throughout my research, I found that the company's stellar reputation holds true. If you are a member of the US armed forces, or are related to one, there is no better option than USAA.
It is one of the three highest-rated automotive insurers in the country. The only downside is its limited availability: USAA only services the immediate families of active and former members of the military. Given those restrictions, the quote process is a bit more intense compared to its competitors, but that's a small price to pay for its exemplary service.

Life Insurance:

Everything you need to know about life insurance

Here, we explain how life insurance works and help you decide whether you need it, and how much cover you should get.

What is life insurance?

Life insurance pays out a lump sum or a regular income to your partner or family if you die within the policy 'term' – for this reason it is also known as 'term insurance'.

There is another type of life insurance known as 'whole of life', which pays out whenever you die. But this is generally viewed as an investment and financial planning tool – for protection purposes, term insurance is your best bet.

With a term insurance policy, you can choose between 'level' cover, which pays out the same amount no matter when you die, and 'decreasing' cover, where the amount paid out reduces as your mortgage is paid down (lowering your premium).

With an 'increasing' policy, you pay a higher premium but the amount that would be paid out increases to take account of inflation during the term of the policy.

Getting the right policy

With term assurance, you decide how long the policy runs for and how much is paid out if you die within this term.

If you go for the 'family income benefit' option, the pay-out will be in the form of a monthly income rather than a lump sum. These monthly payments can be linked to inflation, but they will only continue until the policy comes to an end. So if you die six months before the policy ends, your family will only receive six payments as a result.

Couples also need to decide whether to insure both their lives separately or to take out a joint life insurance policy that pays out either on the first or second partner's death.

Do I need life insurance?

Mortgage lenders usually insist on their customers taking out a life insurance policy when they take out a mortgage. This protects their financial interest and means the mortgage can be settled.

But most people take out life insurance to protect the people who rely on them financially, such as their children.
If you've paid off your mortgage and have no dependents, you have a less pressing need for cover.

Similarly, single people often feel that they can do without life cover because they do not have to worry about supporting any dependents after their death. However, younger couples without children often decide that life insurance is worth paying for, particularly for the main breadwinner.

This is so that the surviving partner will not have to worry about money while he or she grieves.

Whatever your situation, if you are considering life insurance, check first whether your employment contract includes a "death in service" benefit that will go to your family should you die.

You need to work out whether this is sufficient protection and you may decide to top it up with a personal policy.

Remember, the size of your premium will be affected by the amount of cover you have.

How much coverage should I have?

Experts reckon 10 times the annual income of the main breadwinner is a good 'sum insured' for any family. This allows plenty of breathing space if the worst happens.

Many 'death in service' arrangements provide four times salary.

What factors affect the cost of life insurance?

The type of life insurance policy you choose, and of course the sum assured, will have a big impact on the cost.

Decreasing term life assurance, for example, is generally cheaper than level term assurance because the sum assured goes down in line with your mortgage debt (but is only really suitable to cover a standard repayment mortgage on which the capital reduces consistently over the years).

Other factors that will be taken into account when calculating your premiums include your age, sex, general health and lifestyle – for example, if you smoke or drink a lot of alcohol.

Extras such as critical illness insurance, which pays out if you contract one of the conditions on a pre-determined list of diseases, can make a big difference to the cost too.

How can I cut the cost of life insurance?

As explained above, the amount you pay for life insurance will depend on a number of factors, including the type of policy you choose and how you live. Easy ways to cut the cost of life insurance therefore include giving up smoking, reducing your alcohol intake and losing weight if necessary.

For healthy, young people, the most basic life insurance policies start from just a few pounds a month.

But whatever sort of life insurance you want, it is vital to shop around to ensure you are not paying over the odds.

How often should I review my life insurance?

It is a good idea to review the level of life insurance you have whenever you celebrate a major life event such as getting married, having another child or buying a more expensive home. Otherwise, the cover you have could prove insufficient to prevent your loved ones suffering financially in the event of your death.

Does life insurance always pay out?

Life insurance claims are generally fairly clear-cut, for obvious reasons. Figures from the Association of British Insurers indicate that only 2% of the life insurance claims made in 2012 were rejected, mainly because of fraud or because the policyholder failed to disclose important information when applying for cover.

It's worth remembering that claims can be turned down if you fail to disclose even minor details about your health when taking out a policy.

Health Insurance

Understanding Long-Term Care Insurance

Basics of health care insurance coverage

Buying a long-term care insurance policy can be expensive, but there are steps you can take to make it more affordable and flexible.

|The phrase "long-term care" refers to the help that people with chronic illnesses, disabilities or other conditions need on a daily basis over an extended period of time. The type of help needed can range from assistance with simple activities (such as bathing, dressing and eating) to skilled care that's provided by nurses, therapists or other professionals.

Employer-based health coverage will not pay for daily, extended care services. Medicare will cover a short stay in a nursing home, or a limited amount of at-home care, but only under very strict conditions. To help cover potential long-term care expenses, some people choose to buy long-term care insurance.

Policies offer many different coverage options. Since you can't predict what your future long-term care needs will be, you may want to buy a policy with flexible options. Depending on the policy options you select, long-term care insurance can help you pay for the care you need, whether you are living at home or in an assisted living facility or nursing home. The insurance might also pay expenses for adult day care, care coordination and other services. Some policies will even help pay costs associated with modifying your home so you can keep living in it safely.

Factors to consider

Your age and health: Policies cost less if purchased when you're younger and in good health. If you're older or have a serious health condition, you may not be able to get coverage — and if you do, you may have to spend considerably more.

The premiums: Will you be able to pay the policy's premiums — now and in the future — without breaking your budget? Premiums often increase over time, and your income may go down. If you find yourself unable to afford the premiums, you could lose all the money you've invested in a policy.

Your income: If you have difficulty paying your bills now or are concerned about paying them in the years ahead, when you may have fewer assets, spending thousands of dollars a year for a long-term care policy might not make sense. If your income is low and you have few assets when you need care, you might quickly qualify for Medicaid. (Medicaid pays for nursing home care; in most states it will also cover a limited amount of at-home care.) Unfortunately, in order to qualify for Medicaid you must first exhaust almost all your resources and meet Medicaid's other eligibility requirements.

Your support system: You may have family and friends who can provide some of your long-term care should you need it. Think about whether or not you would want their help and how much you can reasonably expect from them.

Your savings and investments: A financial adviser — or a lawyer who specializes in elder law or estate planning — can advise you about ways to save for future long-term care expenses and the pros and cons of purchasing long-term care insurance.

Your taxes: The benefits paid out through a long-term care policy are generally not taxed as income. Also, most policies sold today are "tax-qualified" by federal standards. This means if you itemize deductions and have medical costs in excess of 7.5 percent of your adjusted gross income you can deduct the value of the premiums from your federal income taxes. The amount of the federal deduction depends on your age. Many states also offer limited tax deductions or credits.

Long-term care policy sources

Individual plans: Most people buy long-term care policies through an insurance agent or broker. If you go this route, make sure the person you're working with has had additional training in long-term care insurance (many states require it) and check with your state's insurance department to confirm that the person is licensed to sell insurance in your state.

Employer-sponsored plans: Some employers offer group long-term care policies or make individual policies available at discounted group rates. A number of group plans don't include underwriting, which means you may not have to meet medical requirements to qualify, at least initially. Benefits may also be available to family members, who must pay premiums and might need to pass medical screenings. In most cases, if you leave the employer or the employer stops providing the benefit, you'll be able to retain the policy or receive a similar offering if you continue to pay the premiums.

Plans offered by organizations: A professional or service organization you belong to might offer group-rate long-term care insurance policies to its members. Just as with employer-sponsored coverage, study your options so you'll know what would happen if coverage were terminated or if you were to leave the organization.

State partnership programs: If you purchase a long-term care insurance policy that qualifies for the State Partnership Program you can keep a specified amount of assets and still qualify for Medicaid. Most states have a State Partnership Program. Be sure to ask your insurance agent whether the policy you're considering qualifies under the State

Partnership Program, how it works with Medicaid, and when and how you would qualify for Medicaid. If you have more questions about Medicaid and the partnership program in your state, check with your State Health Insurance Assistance Program,

Joint policies: These plans let you buy a single policy that covers more than one person. The policy can be used by a husband and wife, two partners, or two related adults. However, there is usually a total or maximum benefit that applies to everyone insured under the policy. For instance, if a couple has a policy with a $100,000 maximum benefit and one person uses $40,000, the other person would have $60,000 left for his or her own services. With such a joint policy you run the risk of one person depleting funds that the other partner might need.

Long-term care policies and preexisting conditions

Insurers often turn down applicants due to preexisting conditions. If a company does sell a policy to someone with preexisting conditions, it often withholds payment for care related to those conditions for a specified period of time after the policy is sold. Make sure this period of withheld payments is reasonable for you. If you fail to notify a company of a previous condition, the company may not pay for care related to that condition.

Most companies will provide an informal review to determine whether you are eligible for the policy. This is helpful if you're likely to be denied coverage since another company may ask whether you've ever been turned down for coverage.

Covered services

Some insurance companies require you to use services from a certified home care agency or a licensed professional, while others allow you to hire independent or non-licensed providers or family members. Companies may place certain qualifications — such as licensure, if available in your state — or restrictions on facilities or programs used. Make sure you buy a policy that covers the types of facilities, programs and services you'll want and that are available where you live. (Moving to another area might make a difference in your coverage and the types of services available.)

Policies may cover the following care arrangements:

Nursing home: A facility that provides a full range of skilled health care, rehabilitation care, personal care and daily activities in a 24/7 setting. Find out whether the policy covers more than room-and-board.

Assisted living: A residence with apartment-style units that makes personal care and other individualized services (such as meal delivery) available when needed.

Adult day care services: A program outside the home that provides health, social and other support services in a supervised setting for adults who need some degree of help during the day.

Home care: An agency or individual who performs services, such as bathing, grooming and help with chores and housework.

Home modification: Adaptations, such as installing ramps or grab bars to make your home safer and more accessible.

Care coordination: Services provided by a trained or licensed professional who assists with determining needs, locating services and arranging for care. The policy may also cover the monitoring of care providers.

Future service options: If a new type of long-term care service is developed after you purchase the insurance, some policies have the flexibility to cover the new services. The "future service" option may be available if the policy contains specific language about alternative options.

Policy coverage amounts and limits

Long-term care policies can pay different amounts for different services (such as $50 a day for home care and $100 a day for nursing home care), or they may pay one rate for any service. Most policies have some type of limit to the amount of benefits you can receive, such as a specific number of years or a total-dollar amount. When purchasing a policy you select the benefit amount and duration to fit your budget and anticipated needs.

"Pooled benefits" allow you to use a total-dollar amount of benefits for different types of services. With this coverage option you can combine services that meet your particular needs.

To determine how useful a policy will be to you, compare the amount of your policy's daily benefits with the average cost of care in your area and remember that you'll have to pay the difference. As the price of care increases over time, your benefit will start to erode unless you select inflation protection in your policy.

Qualifying for benefits

"Benefit triggers" are the conditions that must occur before you start receiving your benefits. Most companies look to your inability to perform certain "activities of daily living" (ADLs) to figure out when you can start to receive benefits.

Generally, benefits begin when you need help with two or three ADLs. Requiring assistance with bathing, eating, dressing, using the toilet, walking and remaining continent are the most common ADLs used. You should be sure your policy includes bathing in the list of benefit triggers because this is often the first task that becomes impossible to do alone.

Pay close attention to what the policy uses as a trigger for paying benefits if you develop a cognitive impairment, such as Alzheimer's disease.This is because a person with Alzheimer's may be physically able to perform activities but is no longer capable of doing them without help. Mental-function tests are commonly substituted as benefit triggers for cognitive impairments. Ask whether you must require someone to perform the activity for you, rather than just stand by and supervise you, in order to trigger benefits.

Coverage exclusions

All policies have some conditions for which they exclude coverage. Ask the agent to review these exclusions with you. Most states have outlawed companies from requiring you to have been in a hospital or nursing facility for a specific number of days before qualifying for benefits. However, some states permit this exclusion, which could keep you from ever qualifying for a benefit.

Coverage exclusions for drug and alcohol abuse, mental disorders and self-inflicted injuries are common. Be sure that Alzheimer's disease and other common illnesses, such as heart disease, diabetes or certain forms of cancer, aren't mentioned as reasons not to pay benefits.

Waiting and elimination periods

Most policies include a waiting or elimination period before the insurance company begins to pay. This period is expressed in the number of days after you are certified as "eligible for benefits," once you can no longer perform the required number of ADLs. You can typically choose from zero up to 100 days. Carefully calculate how many days you can afford to pay on your own before coverage kicks in. (The shorter the period, the higher the price of the policy.)

Choose a policy that requires you to satisfy your elimination period only once during the life of the policy rather than a policy that makes you wait after each new illness or need for care.

Many policies allow you to stop paying your premium after you've started receiving benefits. Some companies waive premiums immediately while others waive them after a certain number of days.

Long-term care benefits and inflation

Since many people purchase long-term care insurance 10, 20 or 30 years before receiving benefits, inflation protection is an important option to consider. Indexing to inflation allows the daily benefit you choose to keep up with the rising cost of care.

You can increase your benefit by a given percent (5 percent is often recommended) with either compound or simple inflation protection. If you're under age 70 when you buy long-term care insurance, it's probably better to have automatic "compound" inflation protection. This means that the amount of your daily benefit increase will be based on the higher amount of coverage at each anniversary date of the policy. "Simple" inflation protection increases your daily benefit by a fixed percentage of the original benefit amount. Typically, the simple option won't keep pace with the price of services.

In lieu of automatic increases, some policies offer "future-purchase options" or "guaranteed-purchase options." These policies often start out with more limited coverage and a corresponding lower premium. At a later, designated time, you have the option of increasing your coverage — albeit at a substantially increased premium.

If you turn down the option several times, you may lose the ability to increase the benefit in the future. Without increasing your coverage this option may leave you with a policy that covers only a fraction of your cost of care. The younger you are when you buy long-term care insurance, the more important it is to buy a policy with inflation protection.

Premium increases and policy cancellations

Companies can't single you out for a rate increase. However, they can increase rates on a class of similar policies in your state. Most premiums do increase over the life of the policy. The National Association of State Insurance Commissioners has established rate-setting standards and about half of the states, along with several of the large insurance companies, have adopted these measures.

Long-term care policies are "guaranteed renewable," which means that they cannot be canceled or terminated because of the policyholder's age, physical condition or mental health. This guarantee ensures that your policy won't expire unless you've used up your benefits or haven't made your premium payments.

Problems paying the premiums

If you stop paying your premium or drop your benefit, a "nonforfeiture option" will allow you to receive a reduced amount of benefit based on the amount of money you've already paid. Some states require policies to offer nonforfeiture benefits, including benefit options with different premiums.

Since nonforfeiture provisions vary by location, check with your state's insurance department or your state's listing at the National State Health Insurance Assistance Program (SHIP)before dropping your policy. If your policy doesn't have a nonforfeiture option and you stop paying the premiums, you'll lose all the benefits for which you have paid.

Policy shopping

If you've determined which long-term care insurance options best meet your needs and you're ready to buy a policy, do the following:

- Ask your state insurance department for a list of companies approved to sell long-term care insurance policies in your state. Find out whether there were complaints about any of the companies that sold them.

- Check the stability of the company and be sure it has a long history with this type of insurance. You can check this information at websites for companies including Moody's Investors Services, Standard and Poor's and A.M. Best.

- Compare information and costs from at least three major insurance companies. Find out how often and by how much the companies have increased their premiums.

- Get a written copy of any policy you're considering. Review it carefully, perhaps with the assistance of your attorney or financial adviser. Write out your questions, and have a representative of the insurance company respond to your questions in writing.

- Never let anyone pressure or scare you into making a quick decision.

- Never pay any insurance premium in cash, and always make your check payable to the company and not an individual.

- Nearly all states require insurance companies to give you 30 days to review your signed policy. During this time, you can return a policy for a full refund if you change your mind.

- Still have questions or concerns? Contact the agency listed for your state at the State Health Insurance Assistance Program (SHIP).

Deciding whether long-term care insurance is right for you can take a significant amount of time and research but making the effort will be time well spent.

Covering Funeral Costs with Insurance

Nobody plans on dying unexpectedly but it can happen. You may be leaving your family to foot the bill of funeral costs so think about burial insurance and give them what they need to cover the cost.

Should You Consider Burial Insurance?

If you were to die tomorrow, would your family have the money to cover your funeral costs? Or will they be left scrambling to find the cash? The fact is, while nobody plans on dying unexpectedly, it can happen. And when it does, your loved ones will need to cover the costs - immediately.

What does the average funeral cost?

According to the National Funeral Directors Association (NFDA), the average cost of an adult casketed funeral in 2014 was $7,181.[1] If that price tag isn't staggering enough, it doesn't get any better. For starters, because the NFDA doesn't conduct surveys every year, this figure is a few years old. Moreover, it doesn't take into consideration the additional expenses associated with burial in a cemetery and the purchase of a headstone. The reality is, that once all funeral-related costs are factored in, the typical traditional funeral service can cost the average family closer to $8,000 - $10,000.

What is burial insurance?

Burial insurance (sometimes referred to as funeral insurance) is an insurance policy that helps cover the costs associated with your funeral so that your loved ones won't be burdened with the expenses. It can be used to pay for the cost of the funeral and burial, or any other final expenses such as outstanding medical bills.

How does burial insurance work?

According to the Insurance Information Institute, burial insurance typically comes in the form of a whole life insurance policy, with benefits ranging from anywhere between $5,000 and $25,000.[2] Generally, policies go through a simplified underwriting process, meaning that you may be able to buy a policy after answering just a few health-related questions on the application and with no medical exam.*

Who should consider burial insurance?

Your need for burial insurance depends on your individual situation. You might want to consider a burial insurance policy if:

- You have no other life insurance coverage in place
- You have limited savings with no other means to pay for your funeral expenses and outstanding debts
- You want a separate policy to specifically cover your final expenses

Burial insurance can be part of an estate plan and an ideal way in which to manage your final burial and funeral expenses.