

Insurance

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Insurance: Does that word scare you? For some reason, it brings a chill to most people. Is it the word, or is it the fact that someone is usually trying to sell it in some form to you? If that is the case, get over it! Everyone is selling something - from the corner grocer to you. You hope when you walk into the room for a report of findings, that your potential patient will be "buying" what you have to say.

Another strange thing about insurance is that everyone is always looking for a bargain or some way to cut the cost. The coverage seems to be secondary, and the premium the most important thing. That's comparable to the new patient who wants to undergo treatment but tells you that he can't afford to.

Insurance is something that we need and have to have in some form throughout our lives. But most people really don't understand what it really is or how it works, or how much they really need. According to statistics, the typical household spends just \$2,400 per year on insurance. (That assumes that your health insurance is under a group plan and you pay very little for it.) It's broken down like this: health insurance, \$983; homeowner's, \$254; auto, \$778; and life, \$388.

I am sure that most of you are paying much more for your coverage. The number for health insurance, I am sure, is very low. The homeowner's insurance statistic might be closer to what you are spending, depending on the area of the country you live in and the size of your home. I am also sure that the amount for auto insurance is also way off the mark. The life insurance figure is up for grabs. Like I said earlier, the coverage is secondary; the premium is what is important.

Did you know there are ways to save on the premiums and not compromise on the coverage? For example, increasing your front-end deductible can lower the health insurance cost. You can also set up a "section 105 plan" and make the entire premium and any out-of-pocket expenses 100-percent-deductible for tax purposes. This can cut your cost in half. I think the 105 plan is much better than medical savings accounts.

Homeowner's Insurance

Increasing the deductibles can lower the homeowner's policy, which could cut your premium by as much as 25 percent. Increasing the deductible on a house from \$250 to \$1,000 lowered the premium from \$1,250 to \$850 for one of my clients. You might want to call your agent and see if the area that you live in has had a ratings change since you moved in.

Auto Insurance

Automobile coverage is another world in which there are so many ways to spend additional money, and so many ways to save it. Again, increasing deductibles can lower the premium quite a bit. Recently, a client increased a deductible to \$1,000 and cut the premium from \$2,200 to \$1,600 per year.

There are lots of additional goodies that can be added to these policies to accomplish just one

thing: increase the premium! Do you really need towing on your policy when you belong to an auto club? Think about it. While you are thinking, review all of the riders on your policy and see what you really need, and get rid of the rest.

Life Insurance

How much life insurance do you need? What kind should you have? What company should you buy it from? To answer all of those questions, it would take many articles! I can easily state that most of you reading this article have the wrong type of coverage. Why? You are shopping for cost and not looking at life insurance as something you will need for quite a few years. There are different types of coverage, and I have discussed these types in many of my articles. (I refer you to the web address listed at the end of this article, so you may search through my old articles and do a little homework on this subject. If you are too busy for that, just give me a call or drop me a line.)

Some life policies can serve a dual purpose. They can protect you and your family, and if you fool everyone and live, they can accumulate a tremendous amount of cash that can be used as a retirement fund. By the way, you can get to that money anytime, and you will not have to pay any income taxes on the money you take out. You also do not have to put away any money for employees.

I hope that this discussion about insurance did not scare you. No one tried to back you into a corner and make you sign on the dotted line. I tried to show you some ways to improve your overall coverage, and save a few bucks. The rest is up to you. (I will save disability, overhead coverage and long-term care insurance for future articles.)

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