

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."

- **Renters insurance** – 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."

- **Renters insurance** – Absolutely necessary to replace your possessions, including those that you have not paid off and to have liability insurance.

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 other's losses if you are responsible.
 2. Collision and Comprehensive coverage.
 3. Uninsured/Underinsured motorist coverage.
 4. Medical payments.
 5. Lender will require insurance
 6. If you have an accident you will continue to owe for the balance on the car while now possibly needing another car.

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 if there are special health needs. Sign up for DEERS and add to Record of Emergency Data (RED).
- **Dental** – Remember to sign your new family member up for the Dental Health Program.
- **Auto** – Review and adjust as necessary.
- **Renters insurance** – 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** – Your 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 RED.
- **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.
- **Renters insurance** – Review and adjust as necessary.

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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."

- **Homeowners insurance** – Required by your lender and needed to cover both the real property and your personal possessions. It 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."

- **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.
- **Homeowners** – 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 canceled. What should I do?"

- Divorce can happen anytime in the life cycle. 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) or another commercial policy.
- **Health/dental** – Shop for a policy, if not provided by your next employer. Personal health policies can be 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 may want to look for a policy to replace a portion of your income should you be injured or become ill.
- **Auto** – Review and adjust as necessary.
- **Homeowners** – 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 for funeral
12 months BAH or time in quarters
Final household goods shipment
Survivor Benefit Plan (SBP) Automatic
Social Security Survivor Benefits
Veterans Affairs education

Out of Military:

Benefits will depend on the policies you have.

Retirees:

SBP, if elected
Social Security
Burial

PERSONAL FINANCIAL MANAGEMENT PROGRAM
STANDARDIZED CURRICULUM