



W. James Steen, CFP®  
[jim@petrafin.com](mailto:jim@petrafin.com)

Jason A. Pearson, CFP®  
[jason@petrafin.com](mailto:jason@petrafin.com)

(O) 937.294.9000

[www.petrafinancialsolutions.com](http://www.petrafinancialsolutions.com)

The world of finance and insurance can be quite frustrating, expensive – and frankly confusing. Much misinformation exists “out there.” Scare tactics abound.

However, that’s not how I treat my clients. One of the responsibilities I take seriously is educating my clients, empowering each one with facts versus fear so they can take ownership in financial decisions, hence this letter. Today, let’s talk about life insurance.

Now, before your eyes glaze over and your hands instinctively wad up this letter into a spitball headed for the trash can, I know how you feel. I fully realize this topic is not very exciting, and I know you did not wake up today and leap out of bed thrilled with the prospect of, “Oh goodie, I get to talk to my advisor about insurance!” Maybe it’s because, at the end of the day, it involves an event few of us wish to dwell upon.

However, being honest, we all know that we need life insurance. Life insurance protects us in case of loss of income due to the death of the main family bread winner. That is the simplest definition of and reason for having life insurance. Adequate insurance coverage will ensure that your family will have sufficient income to survive a devastating loss and pay off debts. To meet this need, insurance companies provide two broad avenues called whole life and term.

Simplistically, whole life insurance and similar products allow you to purchase a face amount of coverage: this is called the death benefit which is paid in the event of death. You make a monthly payment called a premium. Over a long time period, these types of products yield an investment called a cash value. While some products can have tax benefits, many can be quite expensive. Too many facts exist to cover in this short letter.

Conversely, term life insurance allows the policy holder to purchase more face amount for a specific term for a much lower cost. Term offers pure protection without the “sidecar” of an investment vehicle. Over time, however, premiums can escalate based on age. Again, too many facets exist to cover adequately here.

Pros and cons exist for each avenue. Which is right for you?

Before answering that, you must first address what really matters. If you are the main bread winner for your family, the important question you should be asking yourself right now is this, “Do I have enough coverage?”

The best way to determine this and learn which insurance and investment products will accomplish your objectives is for you to call and make an appointment to review your situation with me. That way, by working together, we can choose the avenue that is right for you.

**CALM BEFORE A STORM** - Between 6/25/04 and 2/02/07, a period of more than 2 ½ years, no bank failed in the US requiring a bailout from the Federal Deposit Insurance Corporation. Between 2/02/07 and 12/15/17 (almost 11 years) 531 banks failed and required a bailout, equal to 49 per year or just short of 1 per week (source: FDIC).

**WE’RE IMPORTANT TO THEM** - 19% of Chinese exports are purchased by American consumers, making the US the # 1 trading partner of China (source: WTEEx).

**BEST EVER** - If the current US business expansion lasts through July 2019, it will be the longest expansion in the history of the United States at 121 months in length (source: National Bureau of Economic Research).



*These are the views of James Steen & Jason Pearson. No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy.*

*All economic and performance information is historical and not indicative of future results. The market indices discussed are unmanaged. Investors cannot directly invest in unmanaged indices. Investment Advisor Representatives offering securities and Advisory Services through Cetera Advisors LLC, member FINRA, SIPC. Petra Financial Solutions is not affiliated with Cetera Advisors LLC. Petra Financial Solutions, Inc. 385 Regency Ridge Drive, Dayton, OH 45459-4252.*