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A Financial Valentine's Day Gift For Any Couple



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I help people on their path to Financial Freedom. [FULL BIO](#) ✓

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With Valentine's Day approaching, what I am about to suggest may sound as romantic as getting a vacuum cleaner or a new set of wrenches; but once you understand what can happen to families after the disability or death of a spouse or partner, you may see it differently. I am talking about giving your sweetheart the gift of insurance—disability income insurance, life insurance, and long-term care insurance. Let me explain...

Over the years, I've talked with many people whose spouses have died or become disabled and unable to return to work. For these families, the sudden loss-of-income of their loved one is often a difficult or even devastating blow to their financial stability. They are not only grieving the loss, injury, or illness of their loved one, but they are also left wondering how they will survive financially on a significantly reduced income. On top of grief, they're dealing with anxiety over how to support the family. For the individual and the family as a whole, this can be emotionally exhausting or demoralizing.

While the grief may remain, the anxiety over finances can be curbed or even eliminated if the family had the forethought to acquire adequate insurance protection. According to Jeff Kolender, chair of the estate planning department at Paley Rothman, a law firm based in Bethesda, MD, "when I work with an estate where the deceased had had sufficient life insurance, there is immediate liquidity to the family, and the check arrives within weeks of death." He also notes that these funds usually "reduce the stress level that is involved in the loss of a loved one and help the family avoid having to make major life changes during a difficult time."

Being properly insured doesn't just happen; someone has to make it a priority and take the time to apply for the insurance, undergo the medical exam and underwriting process, and pay for the insurance. Whether you

are the primary income provider, the secondary income provider, or a non-working spouse, getting appropriate insurance coverage is a way that you can protect and care for your family. Now, perhaps you can understand why I consider the gift of insurance to be a loving and even romantic choice.

If you are considering providing some protection for your loved ones, a good first step is to understand which protections you need and which you already have. Insurance costs money, so you don't want to be "over-insured." Below are 10 of the many questions you need to ask yourself and your spouse or partner before acquiring coverage. These are by no means all the areas that you need to address, but this quick list can help you start this important discussion.

Life Insurance

- 1.) How much monthly income will my life insurance be able to generate, and how long will this income last?
- 2.) Will my insurance provide enough money to pay off our home mortgage, retire any debt, and pay for our children's college?
- 3.) Will my family be able to remain in our home or at least in the same neighborhood and schools?
- 4.) Can I take my existing group life insurance with me when I leave my job, and are my benefits taxable?

Disability Income Insurance

- 5.) How much monthly income will I receive if I cannot work?
- 6.) How long will I have to wait until my first check arrives?
- 7.) How long will these monthly income checks last?
- 8.) If I can work only part-time, will I be eligible for a partial disability income payment?

Long-Term Care Insurance

- 9.) How will I pay for expenses related to non-acute medical care if I am unable to take care of myself?
- 10.) How will my family's finances be affected by an unexpected illness?

The answers to these questions will vary from person to person, as is the case in most areas of financial planning. I have found that families who are grieving the loss of a loved one usually want to be able to remain in their homes and keep their desired lifestyles and activities, including attending the schools of their choice. They also want to be in a position not to have to spend more time working than necessary—especially among single parents, who now have to shoulder the full responsibility of work and family without a partner.

About life insurance

If you've decided that you need life insurance, it's beneficial to understand which of the two general types of life insurance is best for you: "term life" or "whole life." Within these categories, there are several sub-types; so if you find it confusing, consult with a Certified Financial Planner professional.

About disability insurance and long-term care insurance

Be warned that disability insurance and long-term care insurance can be expensive; that is because the potential payouts to you (the insured) can be costly to the insurance companies. For this reason, many carriers are opting against offering these types of policies or have raised their rates. However, disability and long-term care insurance can still be important protections to have. If you fail to plan for a loss of income, especially if you are a younger worker, the financial impacts to you, and to those who depend on you, can be very serious. Likewise, if there are long-term expenses associated with non-acute medical care, you can put your family in a serious financial mess.

I realize this overview only begins to get the insurance thought process and conversation started; but simply having this conversation with your spouse or partner will show that you care and that you have their future well-being in mind. And that sounds pretty romantic to me.

Contributor's Bio

Mark Avallone is the author of *Countdown To Financial Freedom*, and founder and President of Potomac Wealth Advisors, LLC a financial advisory firm serving clients through holistic financial planning and wealth management. Avallone writes on a variety of financial topics, and his contributions have appeared in the *Wall Street Journal* as well as in *Forbes* where he is a regular contributor. He has appeared on CNBC and has been a repeat guest on the Fox Business Network. His insights have also appeared in *USA Today*, *U.S. News & World Report*, *The Washington Post*, and other leading publications.

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