INSURED AT EVERY STAGE
RAISING A FAMILY

Stark
Financial
Strategies

A growing family, by definition, means an ever-increasing financial obligation – both now and in the future. Raising children can increase your insurance needs and heighten the urgency for having enough coverage. If something were to happen to you and/or your spouse, the stakes are much higher when your children's safety and future could also be at risk.

Amid the increasing expenses and life demands that come with parenthood, thinking about your insurance needs can be tough. But now is the time to consider what is at stake and make sure you're protecting your family from whatever life may throw your way.

AUTO 01

When you first become a parent, it most likely won't affect your auto insurance premiums. However, you can take this opportunity to check that you're not overpaying for your plan – and that you have ample coverage in case of an accident.

Once your children get older and begin to drive, however, you should definitely evaluate your auto insurance. Typically, young drivers are more expensive to insure, but a few strategies may help you control your premiums:[1]

- **Compare quotes from different companies**
- **Take advantage of all available discounts, including ones for defensive driver courses and good students**
- **Assign your least-expensive car to your new driver**

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HOME 02

As your family grows, many aspects of your life may also evolve, like the amount of property you own or your home expenses. With children, be sure to periodically review your homeowners policy, since the following three factors are likely to increase:

- **Assets:** A larger family means that you may also accumulate more personal belongings, like toys, clothes, and electronic devices. Household income also tends to rise during this time, which means that jewelry, art, and other valuables may be among your growing personal assets.
- **Costs:** The cost of rebuilding a home – and its debris removal – may have risen since you last adjusted your homeowners insurance. If so, you may need to increase your coverage to reflect these changes.
- **Liability:** For some families, their income may increase at the same time they have children. As your assets grow, you may want to help safeguard your financial foundation by raising liability coverage. If you do not have an umbrella policy, consider adding it now. Umbrella insurance can help protect against the financial risk of personal liability.

HEALTH 03

Now that you have a family, your health care needs have changed, and you'll need to address this shift. With your first child, be sure to switch your health care coverage to a family-friendly plan. Here are some details to keep in mind:

- **Plan types:** Some companies have different coverage depending on the size of your family, so make sure you determine which coverage you need now.
- **Cost-benefit profile:** If you and your spouse have retained separate plans, you should evaluate which policy has a better cost-benefit profile.
- **Consolidation:** You can also determine whether now is the appropriate time to consolidate coverage into one plan.

04 DISABILITY

Having a family puts a higher demand on your finances, making disability insurance even more critical to address during this time. If your family is likely to suffer economically without one spouse's income, then disability insurance may be vital for you. During an illness or injury, this coverage can replace income that would allow you to meet living expenses without depleting savings otherwise.

If you already have disability insurance, consider increasing the income replacement benefit. More than likely, your income and standard of living are now higher than when you bought the policy.

05 LIFE

Starting and growing a family is often when life insurance can be the most important. If you or your spouse were to die, the financial implications could be far-reaching. Not only would their future income disappear, but single parenthood could affect the surviving spouse's future earnings. If they have to work fewer hours or turn down promotions, their career may not advance as quickly.

The right life insurance policy can cover current financial obligations and also future expenses, such as college fees. Many factors affect the amount of life insurance overage your family needs, including lifestyle, debt, the ages and number of children you have, and anticipated future college expenses.

Also, families with a spouse who stays at home, in order to care for their children, still need life insurance. Should the stay-at-home parent die, the surviving parent would likely need to pay for a range of household and childcare services.

HOW MUCH LIFE INSURANCE DO YOU NEED?

No single calculation works for everyone because each family's circumstances are different.

Your assets, obligations, and lifestyle will determine how much coverage you need. But the most important detail? When it comes to your family's security, buying more insurance is better than too little.

Source: https://www.nerdwallet.com/blog/insurance/how-much-life-insurance-do-i-need/

06 EXTENDED CARE

70% of people will need extended care at some point in their lives.[2] The earlier you consider extended care choices, the better. If you have not yet invested in this insurance, now may be a good time to do so. However, if you have limited resources, focus on more-immediate financial priorities, like saving for your children's college education or your retirement.

The Takeaway

As a parent, preserving your children's wellbeing is likely one of your most-significant concerns. Having the right insurance coverage is an essential way to help uphold this commitment. With the guidance shared in this whitepaper, you can help prepare for unforeseen challenges and preserve your financial foundation for years to come.

Becoming a parent is one of life's major milestones, but don't forget to revisit your coverage during any significant life change. In fact, each time you enter a different life stage, remember to evaluate whether you have the insurance you need – so you can prepare for whatever the future may hold.

STARK FINANCIAL STRATEGIES

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SOURCES:

[1] https://www.carinsurance.com/Articles/cheap-car-insurance-for-young-drivers
[2] https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html

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