

# **INSURANCE REVIEW**

## **OCTOBER 2006**

Insurance prices are dropping! According to a new report by the Insurance Information Institute premiums for both term life and permanent insurance will drop by an average of four percent next year. The reality of the situation according to institute economist Dr. Steven Weisbert is that projected decline for 2007 is actually in line with the average five percent per year drop since 2000. The result is that in 2006, premiums are less than half of what they were over a decade ago. Half!!

When we put together a financial plan we are aiding individuals to effectively accumulate, conserve and distribute assets so they can provide for their families and loved ones and have a comfortable future, in what we like to call goal-centric investing. An important, but often overlooked or overdone aspect of building a financial plan is life insurance. Whether you currently own life insurance or not we can help you.

If you already own a life insurance policy, it is imperative to review this policy at least every two years. Insurance is not a "*set it and forget it asset.*" Aside from price drops, personal and financial goals may have changed, therefore often making older policies inadequate. As well, more current policies have features and benefits than those from just a few years ago.

Individuals also often purchase too much insurance from overzealous salesmen eerily reminiscent of Ned Ryerson of the Bill Murray classic *Groundhog Day*. Two points that we made in our August 2004 article *Financial Independence Top 20* are as follows...

6. Your estate is in order, and you update with every life changing event.
17. You have the right amount of insurance and not a bit more.

The bottom line is to make sure that your insurance needs are met, nothing more nothing less, unnecessary premiums can be invested or enjoyed elsewhere. Please do not hesitate to contact us to review your current situation.