

# How Insurance Much Do You Really Need?

When it comes to insurance either you have enough, you don't have enough or you can even have too much. One of the reasons insurance can be confusing is there are so many different types - liability, disability, fire, homeowner's, pet, dental, whole life, annual, etc.

Another problem is people don't usually think about insurance until after – after a house fire, after a disabling injury, after the death of a loved one, etc.

When choosing insurance it is important to get the right kind, the right amount and to plan ahead. You don't want to spend too much on unnecessary policies and too little on the important ones.

How much insurance do you need? The answer to this question depends on you – your needs and objectives. A rule of thumb is: if you can't afford to lose it, insure it.

Some people do not believe in insuring anything that wouldn't cause them to go bankrupt if they lost it. Everyone has to weigh the odds as to how much insurance they can afford and what it would do to them financially if they didn't insure it.

Other than life insurance, here are some other types you may have or are considering purchasing. Car and mortgage insurance are required by law. If you have car insurance it is a good idea to take the \$1 to \$2 million or more of liability coverage depending on your net worth. Extra coverage becomes progressively cheaper. If you do hit someone, it isn't uncommon to be sued for a couple million.

If you have home insurance, make sure you take pictures of the inside and outside of the building. If there is a fire you will have proof. For example, it is important to have photos of hardwood flooring, oak kitchen cabinets, flat screen television, new computer, antique car, etc. Keep the pictures in a safety deposit box. Also, check what your insurance covers. For example, it only covers a limited amount for jewelry.

Another type of insurance to consider is disability/critical illness. One in three people in the workforce will be disabled at least once for 90 days or more before age 65. For example, if you had a heart attack, stroke or were diagnosed with a life threatening illness, critical illness/disability insurance will pay your loan and/or mortgage payments. You can also get disability/critical illness insurance against your own occupation. If you can not do your job versus if you can not do any job, it pays the amount you are insured for. There are some limitations as to how much you can buy compared to how much you earn.

If you have any questions about our insurance products please contact an OMISTA expert at one of our branches, or our insurance representative, Ozzie MacKay at 858-7909. To develop an insurance plan that meets your needs and objectives, you can meet with Ozzie MacKay, Credential Financial Strategies Representative, and he can explain your options and design the most cost effective plan for you.