

INFORMATION TO HELP YOU BETTER UNDERSTAND YOUR INSURANCE NEEDS

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To help Americans better understand where insurance fits into their family finances, the LIFE Foundation is pleased to present this special section.

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The stories we describe are all true. None of these individuals and families could have anticipated the challenges they'd face. In each case, however, smart insurance planning ensured that emotional struggles weren't compounded by financial hardship.

What would happen to your family if something were to happen to you? Your family's financial future is too important to leave to chance. A qualified insurance professional can help you create a plan that will provide for the ones you love, no matter what twists and turns life sends your way.



Richelle Hecker with children (l-r) Allie, Torie, Will and Lillie

## Serving Country and Family



Major William F. Hecker (inset), Richelle Hecker (sitting) with financial advisor Samantha Hilliard

insurance offered by the military. But he knew even that wouldn't be enough to cover his family's needs. So he purchased additional coverage on his own through Monumental Life Insurance Company. His individual policy even included an option to increase his coverage every three years regardless of his health status, a valuable feature for someone with a hazardous occupation. "He did all the right things," says Samantha Hilliard, Hecker's financial advisor at First Command Financial Services.

Richelle and her children, now ages 3 to 11, recently resettled in Colorado Springs, Colo. With the insurance benefits safely invested, Richelle's living expenses should be covered long after her Army survivor benefits have run out. That leaves her free to remain a stay-at-home mom as long as she wishes.

Though Bill's service to his country put him in harm's way, that wasn't the only reason the Heckers bought

life insurance. "Obviously, he had a dangerous job, but there's always a chance that any of us won't make it," says Richelle. "It's just the right thing to do."

### ? How Much Life Insurance Do You Need?

**The average adult American has roughly \$170,000 in life insurance coverage, or about four times his or her gross annual income.<sup>1</sup>** Seems like a lot until you consider that you're going to be dead a lot longer than four years.

If you were to die tomorrow, how many years would you want your family to be provided for financially? Would debts need to be retired? Would you want to set aside some money for your spouse's retirement or your children's education? How much would be needed to pay for your funeral and other final expenses? These are the questions you need to ask to help determine how much coverage you need.

<sup>1</sup> LIMRA International, Trends in Life Insurance Ownership, 2005

Army Major William F. Hecker's long-range plan was to become a college English professor, but first he was committed to following in the footsteps of his family and serving his country. A West Point graduate, he was an officer in the 3-16th Field Artillery Battalion, and in late 2005 he was deployed to Iraq. Just six weeks into his tour of duty there, he was killed by a roadside bomb. Bill was just 37, and left behind his wife, Richelle, and four young children.

Nothing could have prepared Richelle emotionally for her loss, but she knew Bill had taken steps to ensure the family would be okay financially. The Army provides soldiers with a \$100,000 death benefit, and Bill had bought additional life

### Calculate Your Needs

For an estimate of how much life insurance you would need to safeguard your family's financial future, use LIFE's online calculator at:

[www.lifehappens.org/lifecalculator](http://www.lifehappens.org/lifecalculator)



## Insurance Brings Freedom to Disabled Woman



Ann Reynolds (left) and agent Bridy Condon

condition. Unable to work, she relies on a disability insurance policy she bought through her employer and Social Security payments, which together just manage to meet her living expenses.

That's where Mark's life insurance benefit comes in. With the help of Bridy Condon, a financial professional for the Pollakov Financial Group/MassMutual, Ann has made the most of that money. It paid for a lift-equipped van that allows her to drive herself around town while sitting in her wheel chair. "The van is my freedom," she says. "It makes me feel like I'm not disabled and can go on with my life." It also paid for thousands of dollars in dental work to repair damage caused by the many medications she is required to take. Most importantly, she has used it occasionally to make mortgage payments so she could continue to live in the San Diego home that she and Mark shared for most of their 21 years together.

Ann has many challenges ahead.

Her disability insurance payments will end when she is 65, and she's not sure how she'll make ends meet then. But she's grateful for everything that insurance has done for her thus far. "I was lucky I had some life and disability insurance, not enough, but some," she says. "This small amount has absolutely saved the quality of my life."

When Ann Reynolds' husband, Mark, died in 2003, he left behind what seemed like a modest life insurance benefit. But it has made a world of difference in Ann's life. Once an energetic human resources executive who power-walked five miles a day, Ann, 53, is confined to a wheel chair because of a degenerative back

### 3 Reasons to Buy Insurance Now!

1

**Insurance should be the foundation of your financial security plan.**

Financial security comes from a combination of savings, insurance and investments over time. Insurance is the foundation. It provides a safety net for your family if you should die or become disabled before other pieces of your plan are in place.

2

**The longer you wait, the more expensive it will be.**

Simply put, premiums rise as you get older. The longer you wait, the greater the chance

3

**If you put it off, you may never get to it.**

Face it. We all procrastinate. Especially when it comes to dealing with uncomfortable subjects like your death or declining health.

But it's better to confront these topics now. Life is uncertain. Tomorrow may be too late.

## Insurance Keeps a Business in the Family



Agent Jon Shoemaker (standing) with Ernesto Hines

Downturns in the business sometimes would make it hard for Peanut to make the \$84 monthly premium payment. He occasionally considered dropping the coverage. Fortunately, his agent at New York Life, Jon Shoemaker, CLU, ChFC, CASL, LUTCF, understood how much he needed the insurance. When a payment was late, Jon would drive out to Peanut's shop to pick up the check.

On a visit in 2005, Jon noticed Peanut didn't look well and had lost weight. Soon afterward, Peanut got the worst possible news. He had an advanced stage of lung cancer. Doctors gave him just six months to live. The treatments that followed kept him away from work, and medical costs mounted.

Fortunately, Jon knew a way to ease Peanut's burdens. Invoking a provision

that allowed for an early payout to a terminally ill policyholder, he delivered a check to Peanut for the face value of his policy minus a small fee. In the months before his death at age 49 in October 2006, Peanut was able to pay off his debts and turn the body shop over to Ernesto. "The early payment allowed him to transition the business without having to borrow money or pass the hat," says Jon. "It allowed him to go out with dignity."

Ernest "Peanut" Folks took great pride in the fact that his son, Ernesto, chose to follow in his footsteps. Peanut owned P&A Collision, an auto body repair shop in Montgomery, Ala., and his plan was to one day pass along the business to his son. Life insurance never factored into Peanut's plan until an agent called on him in 2003. Peanut became convinced he should protect the business and its 10 employees with a \$100,000 life insurance policy.

### What Kind of Life Insurance is Right for Me?

	TERM	PERMANENT
<b>LENGTH OF COVERAGE</b>	Ceases at end of specified term period, typically one to 30 years	Continues until age 100 or later so long as premiums are paid
<b>PREMIUMS</b>	Lower than permanent insurance premiums when initially purchased, but increase with age	Initially higher than term insurance premiums, but are often level for life
<b>CASH SURRENDER VALUE</b>	None	Accumulates cash surrender value or loan value on a tax-deferred basis
<b>KEY BENEFIT</b>	Typically offers the highest death benefit for the lowest cost	Offers lifelong protection and tax-deferred savings

## A Triathlete's Greatest Challenge



Meredith Moore-Hansen

doctor visits culminated in a CAT scan that revealed the cause: A malignant, fist-sized brain tumor called a glioblastoma multiforme that is almost always fatal. What followed was an aggressive treatment strategy that included three brain surgeries, a seven-week chemotherapy regimen at Duke University's renowned brain tumor center and more chemotherapy at home in Alpharetta, Ga.

Though unable to work for a year, Meredith's disability insurance replaced 60 percent of her income, ensuring her illness would not add a financial burden to the challenges that she and her husband, Keith, already faced. Fortunately Meredith, a financial advisor with New York Life subsidiary Eagle Strategies, knew exactly what to do when she was in her twenties. She had purchased as much disability, life and long-term care insurance as she could.

A former NCAA Division I college swimmer and dedicated triathlete, Meredith Moore-Hansen was a portrait of good health and fitness at age 30. But just weeks after giving birth to her first child, Erik, she began suffering from headaches so strong they reduced her to tears. A series of

one year, Meredith has now been cancer-free for more than two. She has even returned to work part time, with a partial disability benefit supplementing the income she now earns. Most remarkably, she's once again competing in triathlons.

Meredith knows a recurrence of her cancer is more a matter of "when" than "if." But she's determined to make the most of her new lease on life, both in her personal relationships and her professional ones. "I really push my clients to plan and put things in place now because I know personally that bad things can happen," she says.

### Do You Need Disability Insurance?

#### Think About This...

- Nearly one out of every three workers over age 30 will suffer a disability lasting three months or longer at some time in their working career.<sup>1</sup>
- Nearly half of all home foreclosures are caused by an unforeseen disability.<sup>2</sup>
- More disabilities are the result of illness rather than accidents.<sup>3</sup>
- Each year, about 70 percent of those who apply for Social Security disability benefits get denied.<sup>4</sup>

Sources: <sup>1</sup>America's Health Insurance Plans, 2004 <sup>2</sup>Norton's Bankruptcy Law Advisor, 2000 <sup>3</sup>JHA Disability Survey, 2002 <sup>4</sup>Social Security Administration, 2003

### Calculate Your Needs

To assess the income needed to make ends meet should you become disabled and unable to work, use LIFE's online calculator at:

[www.lifehappens.org/disabilitycalculator](http://www.lifehappens.org/disabilitycalculator)

