

LET'S TALK FINANCIAL WELLNESS[®]

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Life Insurance: An Important Part of a Financial Strategy

Life insurance has many uses. If a breadwinner dies, proceeds from a life insurance policy can fund a child's college education, pay for child care or other services, and ensure that surviving members will maintain their current standard of living. It can also be part of a charitable giving strategy.

Consider the type of life insurance that would work well with your overall financial strategy.

Term Life

Term life provides death benefit coverage for a fixed period. Term life has no cash value, so when the term is over, the policy ends.

Whole/Permanent Life

A permanent life policy accumulates cash value at an interest rate that's set when you purchase the policy. You pay a fixed premium based on the rate. You can borrow against the policy, but unpaid loans will reduce the death benefit.

Universal Life

Universal life is a form of permanent coverage. It offers flexibility with benefits and premiums. The cash value of the policy can be borrowed against or withdrawn.

Variable Life

The cash value of the policy can be invested to take advantage of rising equity markets in



the hope of producing potentially greater returns. However, losses are also possible.

Charitable Giving and Taxes

Life insurance can be used to benefit a charity. You can donate a life insurance policy directly to a charity, name a charity as beneficiary of the policy, or set up a rider to pay a charity a percentage of the policy's value. Proceeds can also provide liquidity to pay estate taxes on large estates. Consult your insurance professional about the many benefits of life insurance.

** Applications for life insurance are subject to underwriting. No insurance coverage exists unless the required premium is paid. Accessing cash values may reduce the death benefit and policy values, trigger tax consequences, surrender fees, and charges, and may require additional premium payments to maintain coverage. Guarantees are based on the claims-paying ability of the issuer.*



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I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.
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Insurance Version



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Have the Money Talk

Are you and your significant other on the same page when it comes to your finances? Disagreements about money are a leading cause of friction between couples. Talking about your individual feelings regarding money can help you understand the other person's point of view and help you reach a compromise.



Savers and Spenders

Your feelings about money may have their roots in how your family dealt with their finances. If your family was conscientious about saving and didn't spend money without having a plan, you may have adopted those same traits. But, if your partner's family spent money without thinking about their future needs, your partner may follow in their footsteps. Discussing each family's relationship to money is a good place to start the conversation.

Compromise Is Key

When one of you is a saver and the other is a spender, compromising is essential for the health of your relationship. Come up with a plan that includes saving a certain percentage of your income. Having money deposited directly into a savings or retirement account can automate the process and remove any temptation to spend. Then, set aside a modest amount of money from each paycheck to spend on yourselves. That way, the spender is less likely to feel deprived.

A Budget Is Non-negotiable

Whether you're the spender or the saver, creating a budget that both partners buy into is the cornerstone of a successful strategy. Tally fixed and variable monthly expenses to find out how much of your income remains. One of your first priorities should be saving three to six months' expenses in an emergency fund. Communication and compromise can put partners on the same financial page.

Work with a financial professional who can provide a fresh perspective and offer suggestions as to how to organize your financial life.

A Financial Checklist for Couples

Working together to create a healthy financial picture should be a priority for couples. Here are a few ways to get started.

Tackle your debt. Getting debt under control can improve your finances. Eliminate credit card balances and pay off high-interest loans to have money to save toward your goals. But not all debt is bad. Debt that you take on to improve your life, such as a mortgage, education loan or business loan, is typically considered good debt.

Define your goals. You may have short-term goals, such as saving for a car or vacation, mid-term goals like college savings, and long-term goals like retirement.

Assess insurance needs. If you have a family or plan to, life insurance should be on your list. Consider adding health and long-term care insurance to your list as well.



You Can Organize Your Financial Life

Piles of receipts on the dining room table. Bank statements on the desk in the spare room. You didn't plan on your financial and personal records ending up in a free-for-all, but that's what's happened. How you wish someone would organize your stuff!



Good news! There is someone who can get your financial records in order. And that someone is you! Because you might need some help in the organizing department, here are some tips for simplifying your financial life.

Decide on a system. You can organize your information by topic or by year, whichever method is easier for you. Use colored folders to hold similar information, including tax documents, investment reports, bank statements, etc. Label everything so you can find it easily. Keep all your records in one place, such as a fireproof safe or a filing cabinet.

Create a back-up system. Scan critical financial documents before filing them. Keep them in a password-protected computer file or on a removable drive or store them in the cloud. Shred any documents with sensitive information that you no longer need.

Put your financial life online. Paperless billing and electronic delivery of bank and investment statements reduce clutter and prevents you from misplacing important bills and documents. Establish online bank, credit card, phone, cable and utility accounts to make payments. Setting up automatic bill pay can further simplify your finances. Make sure you have sufficient money in your bank account when payments are deducted.

Consider a safe deposit box. You can store many critical documents that you don't often need and keep them safe from fire and theft. Keep copies of stored documents in case you need to refer to them quickly.

Share your information. Tell someone you trust where your information is located and how to access it. Share a list of your accounts with password information so that a person can retrieve them in an emergency.

Safe Deposit Box Do's and Don'ts

Some items should be stored in a safe deposit box, while others should be stored in a fireproof safe where you can access them quickly.

Do keep:

- Birth certificates, adoption papers, marriage license, divorce decrees, citizenship papers
- Copies of wills and powers of attorney
- Deeds to property and car titles
- Paper stock or bond certificates
- Business records/contracts
- Valuable jewelry
- Home inventory

Don't keep:

- Passports
- Living wills and medical directives
- Cash
- Uninsured valuables
- Illegal items
- Any documents or items you might need to access quickly when the repository is closed.



How Long Should You Keep Them?

Follow these general guidelines for retaining important documents.

Personal Legal Documents: Forever

Tax Records: 7 – 10 Years

Bank Statements: 1 Year

Real Estate: 7 Years after Sale

Investments: 3 Years after Sale

Credit Card Statements: 60 Days

Self-employed Business Records: 6 Years or Longer



Term Insurance: Right for You?

Term life insurance provides coverage for a specific period — typically, 10-30 years. When the term expires, coverage stops. If the policyholder dies while the policy is active, beneficiaries receive the death benefit, which is usually not taxable.

Term Insurance Basics

Term insurance may be a good choice for a young family, who will receive a lump sum payout if something happens to you. Because you can tailor the length of the policy, term insurance is something to consider if you need coverage for a specified number of years, perhaps until children finish college or other training.

The Cost

Premiums are based on your age, health, life expectancy, and the policy's payout amount and are generally lower than premiums for permanent insurance. You can usually renew your policy, although the cost will generally increase as you get older. Term insurance does not build equity.

Types of Term Insurance

There are several variations on basic term insurance.

Level Term — has fixed premiums for the life of the policy and a fixed death benefit and is the most common option.

Yearly Renewable Term — a one-year policy that can be renewed without evidence of insurability. Premiums rise each year and can become prohibitively expensive as the policyholder ages. It may be appropriate for someone who needs temporary coverage.

Decreasing Term — premium is fixed but the death benefit declines each year according to a predetermined schedule. This type of term policy is often used in conjunction with a mortgage, where the payout is tied to declining loan principal.

Your insurance professional can discuss term insurance options and explain the differences between term and permanent life insurance to determine which one is right for you.

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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

December 12, 2023

Reference: **FR2023-1127-0069/E**

Org Id: 23568

1. LTM 2024 Mar-April Insurance
Rule: FIN 2210

Our review is based on your representation that the final version of this communication will prominently disclose the name of the member, pursuant to FINRA Rule 2210(d)(3)(A).

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

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