



Insurance Analysis & Review Example

Insurance Analysis Summary			
Type	Adequate	No Need	Underinsured
Homeowners	×		
Auto	×		
Umbrella			×
Disability		×	
Life		×	
Health	×		
Long-term Care	×		

Home, Auto, Umbrella: Your home and auto liability coverages are adequate based on the minimum requirements your umbrella policy dictates. Consider the following:

- a. Increase your umbrella liability coverage to \$3 million. This and your standard policy liability limits will get you closer to covering your overall net worth, which is what we typically recommend. Your net worth is currently about \$3.8m and your homeowner's liability is \$300,000.
- b. Contact your insurance agent to see if it would be financially worthwhile to increase your auto deductibles. If the premium savings are not material from raising your deductibles, it would make sense to leave them as is.

Disability: Because Karen is retiring this year, she does not have a need for disability insurance.

Life: There is no need for life insurance unless you wish to increase your legacy. We recommend considering doing a 1035 exchange of your existing cash value policies into an annuity, which would provide you with a guaranteed stream of income. We also recommend looking into what Jim's basis is in his cash value policy. If capital gains are low, it may be better to simply withdraw the cash value. We can discuss these recommendations in more detail during our plan presentation.

Health Care: We have assumed that once Karen retires, health care costs will be \$9,132 until she begins Medicare in 2018. When she begins Medicare, Jim will need to purchase private health insurance. Once we have a better idea of the cost of her private health insurance, we will update our figures. For the time being, we will assume Jim's healthcare costs will remain the same after Karen begins Medicare until Jim is eligible for Medicare. When you are both on Medicare (including Medicare supplement), we estimate an annual cost of \$12,170/year.

Long term care (LTC): Your current long-term care policies are adequate to cover a potential average 3-year stay at the end of your lives in a nursing home.