



Home



Life



Auto



## TAMARACK QUICK TIPS: Saving Money on Insurance

**Its holiday season again and we are all looking for more ways to save money. One great place to look is insurance. Here are some insurance products you probably don't need and a few you should consider (Hint: Life Insurance is one)**

### >>> Insurance you probably don't need

#### 1. Insurance on debt

- Mortgage Life Insurance or Credit Life Insurance - cover your outstanding debts in the event of your death. However, these products are much more expensive than term life insurance, which can be used to cover your debts, **plus more**, in the event of your death. Unless you have health problems that prevent you from getting adequate term-life insurance, mortgage and credit life insurance are not a necessary part of your family's overall financial plan.

#### 2. Rental Car Insurance / Damage waiver

- When you rent a car, you're offered rental car insurance to cover loss and collision damages. Before you buy, check with your auto insurance provider. **Most insurance policies** provide this coverage- but your deductible will still apply. If you want, you can buy the deductible waiver with the rental company. Some credit card companies will cover this too!

#### 3. Travel Insurance (in some circumstances)

- If you are younger and travel is regimented within the US, chances are you probably don't need travel insurance because the conditions and limitations included will remove most of the scenarios you might run across (Illness, emergencies or evacuations). **But** if you are **traveling internationally** and/or prone to illness you should **consider** purchasing but read the policy conditions first!

#### 4. Auto glass insurance

- If your car is an average vehicle with standard equipment and over 5 years old, The annual premium, plus deductible, is more expensive than the cost of simply replacing your windshield every two years with your own savings. **However** almost every insurance company will pay for glass chips without the need for special glass insurance - so fill the chip as quickly as possible.

### >>> Insurance you should consider - and in every case, **the earlier the better** especially if your risk is moderate or greater

#### 1. Life Insurance

- Most people have a hard time comprehending their mortality until the probability increases to the point where it becomes too expensive or may not even qualify
- The younger you are, the cheaper the insurance is
- Temporary or Term life is cheapest but expires at the end of the term. You may outlive it at which point you may not be able to afford or qualify for another policy
- Strongly consider permanent insurance (ex. whole life, universal life) that remains with you, usually at the same rate, you until you die

#### 2. Health Insurance

- Health costs continue to soar out of control.
- This is another form of insurance that is cheaper and easier to qualify for when you are young

#### 3. Catastrophic Hazard Insurance- Not covered by homeowners insurance (eg Flood, Earthquake among others)

- Like flood insurance our decision bias prevents us from considering this possibility, even if we live close to risk (over 15 million homes have flooded over the past decade but only about 5 million US homes per year have had flood insurance over that time.
- Despite the USGS becoming ever more confident that a large earthquake is going to hit California over the next 15 years, only about 10% of Californians have earthquake insurance.
- If the government or your bank didn't force you to buy insurance, would you buy it?

**Regardless of what your appetite is for insurance, we are here to help you rate your risk, make the best decision for your risk and your budget and provide the best products and service available.**