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# Living Without Loss

by Nancy Roberson

*“For all sad words of tongue and pen, The saddest are these, ‘It might have been’.”*

– John Greenleaf Whittier

The various emotional losses that we experience can precipitate devastating financial losses. Although emotional loss is often inevitable, financial loss need not emanate from it. Many kinds of financial losses can be mitigated or eliminated altogether with prudent planning. This is an article about “Living Without Loss,” or asset protection planning with various kinds of insurance, to avoid additional losses as we journey through life.

## Life insurance

Early in our marriage, David and I purchased as much whole life insurance as we could afford, which wasn't much, because we were poor college students. We were not wise consumers, because we didn't research the product or coverage we needed. As a result, David died at age 28 with a fraction of the life insurance that he should have had to provide for Amy,

our 2-year-old daughter, and me. Not wanting to make the same mistake if I died while Amy needed my financial support, I learned about life insurance and purchased a term life insurance policy to provide for Amy upon my death.

I urge you to learn as much as you can about the various kinds of life insurance policies. A good place to start is to consult with a certified financial planner, chartered life underwriter or chartered financial consultant about this and other financial planning issues. Your advisor should guide you to the types of policies that you need. For example, in addition to purchasing life insurance that protects your family, you should consider life insurance that protects your business, which will enable you to purchase a deceased partner's share of the business.

## Disability insurance

Have you become the primary financial support of your family? What would happen if you were to become disabled and could not work? Are you the primary caregiver of young children? What would happen if you became disabled and your children had to go to childcare? Please purchase disability insurance to replace the income that you would lose if you became disabled.

## Health insurance

I quit my job and started law school 11 months after David died. We had been blessed to have had health insurance through my employer, so I purchased the COBRA-type health insurance coverage available for Amy and me to continue our health insurance coverage while I was in law school. Several years later, I learned from an insurance professional that our health insurance coverage was woefully inadequate. I had made the mistake of assuming that our continuation coverage was equivalent to the excellent health insurance provided by my employer before David's death. Thank God,

Amy and I did not have a health crisis during that time! I am also thankful that Amy and I were insurable and able to purchase the coverage that we needed at that time. The moral of my story is this: Don't assume *anything* about any kind of continuation insurance that you may purchase!

### Casualty insurance

Casualty insurance protects our dwellings, vehicles and equipment from calamities such as fire, theft, inclement weather and crashes. Now is the time to evaluate your casualty insurance with an insurance professional and determine whether the coverage is sufficient. Don't forget to insure the dwelling contents for their replacement cost. Also, if a loved one died owning a home that is now unoccupied, the insurance on the dwelling may be at risk of cancellation, so be sure to consult with your insurance professional about that.

### Umbrella liability insurance

We live in a litigious society. If you injure a person or damage property, you may be sued and your casualty insurance may not adequately cover the damages. That's where umbrella liability insurance comes in as an additional form of insurance protection. Umbrella liability insurance is essential even when you have errors and omissions insurance associated with your profession. The cost of umbrella liability insurance is modest compared to the cost of the losses covered. Call your casualty insurance agent right away and add this insurance to your arsenal of protection.

### Identity theft insurance

I can remember a time in life when people routinely had their social security and driver's license numbers printed on checks because those numbers were required for identification when writing checks. How times have changed! Now we guard those

numbers with our lives! I became a proponent of identity theft insurance after learning that such insurance not only monitors my credit rating, but also pays for the legal and practical measures necessary to clean up a stolen identity. Again, the cost is modest compared to the extent of the potential loss.

### Long-term care insurance

I am frequently consulted about minimizing the costs associated with long-term care after a person has received a dreadful diagnosis and faces nursing home care. The family wants to know how to qualify for government benefits and avoid paying out-of-pocket for the nursing home care. Unfortunately, the planning associated with such care should have been done years earlier. Your financial plan should address the possibility that you may need long-term care in a nursing home, because the high cost of nursing home care can deplete your estate in a few years. This is an unpleasant prospect that most of us do not want to consider. Your private health insurance, Medicare and Medicare supplemental policies do NOT cover a long term stay in a nursing home. Although you may not want or need long-term care insurance (LTCI) to qualify for Medicaid or provide an inheritance to anyone, you should consider getting LTCI if LTCI will keep you from being impoverished due to a temporary or short-term nursing home stay. If you are insurable, purchasing LTCI around age 50 is the best strategy to preserve your estate and finance the high cost of nursing home care.

### In conclusion

Become a wise consumer. Consult with three professionals and get three price quotes before making decisions that have serious personal or financial consequences. Do as much research as time allows. In the absence of time, make sure to associate with

professionals whom you can trust. For insurance products, consult with the Department of Insurance in your state, which has many publications to guide you with your decisions. For goods and services, subscribe to a consumer rating service to guide your purchases. I began using such a service as a young bride and still use the same one, subscribing first to a monthly print publication and now to a monthly online service. Thirty-three years ago, as a young widow, I used the printed version of that service to guide my purchase of automobile insurance when I needed to switch casualty insurance companies. Recently, I used the same service, now online, to guide my purchase of a dishwasher.

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Nancy Roberson is a lawyer who has focused her practice on estate planning and probate law for almost 25 years. She received her B.A. degree in English from Indiana University in 1971 and her J.D. degree from the University of Dayton School of Law in 1981,

where she was a member of the Editorial Board for the University of Dayton Law Review.

Nancy is a member of the American Bar Association, the Ohio State Bar Association, the Dayton Bar Association and the Christian Legal Society. She is currently vice-chairperson of the Dayton Bar Association's Estate Planning, Probate and Trust Law Committee and will be the chairperson of that committee next year. She formerly served as president of the Dayton Trust and Estate Planning Group.

Since 2003, Nancy has been board-certified by the Ohio State Bar Association as a specialist in the areas of estate planning, probate and trust law. Her interest in the fields of estate planning and probate law grew out of her experience of being widowed at the age of 27 when her daughter, Amy, was two years old. Amy is now 35, married and working for Nancy. Nancy has been married to Bob Roberson for 26 years. Nancy cofounded and cofacilitates two support groups for widows, one of which is in its 20th year. In addition, she is actively involved with her church and her family's common interest in basketball. She has presented the "Are You Prepared?" seminar for many years and coauthored the workbook, "Solutions," in 1994 with Pam Walker.

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