

# Life Letter

## The five insurance must haves

Insurance is, and has always been, a tool to manage risk. If you cannot afford to "lose" something, it is best to insure it. The five types of insurance everyone should have are:

**Life Insurance** - The primary reason to have life insurance is to replace an income that will be lost on death and to meet the financial obligations that are left behind. No ones debts should last longer than they do and life insurance can be a very economical way to pay them off if you die too soon. Also, it is becoming more and more common for people to carry significant debt into their retirement.

If someone is relying on you for the financial support your income provides now, they will also need it when you die. While a single person may not need very much life insurance, perhaps enough to take care of their last expenses, many seniors are relying on their children for financial help.

**Accident and sickness insurance** - Your lifestyle is determined by your income. If you were hurt or became sick and couldn't work for an extended period of time, how would you be affected financially? *Disability insurance* can replace a portion of your income to help meet your daily needs.

A critical illness, like cancer, heart attack or stroke, can bring additional expenses that your disability insurance may not adequately cover. *Critical illness insurance* can pay a lump sum to help you through a medical crisis.

If an illness or cognitive impairment prevents you from looking after yourself, you may need long-term care at home or in a facility. *Long term care*

*insurance* can help meet the cost of professional help. After all, would you want your kids to bathe you?

**Health and dental insurance** - Provincial health care insurance provides for our basic health care needs, but it does not cover such things as prescription drugs, ambulance services or dental care. Many employers provide group coverage for their employee's health care needs. Individual plans are also available and can help cover health care costs.

**Automobile insurance** - While this insurance is required in every province, some drivers don't have it and many may be underinsured. Some pay too much attention to the replacement cost of their vehicle and leave themselves exposed to a liability if they are at fault in a collision. Your vehicle is worth only so much, but a liability claim can run into the millions. If you run a stop sign while chatting on your cell phone and cause someone a serious brain injury, a judgment could be well in excess of your liability coverage. It costs relatively little to significantly increase your liability coverage limits.

**Homeowner or renters insurance** - We've all read the news stories about someone's house burning down and they didn't have insurance. If you rent, be aware that your landlord may have insured the building you live in, but you are responsible for your contents. These policies provide liability coverage as well in case someone gets hurt on your property and you get sued. If you can't afford to replace all of your belongings today or compensate someone for their injuries, you need insurance protection.

**Want help measuring your insurance needs? Call today!**

***Aleita E. Laird, RHU***

Laird Financial Services Group Inc.

(250) 888-8416 Toll-free: 1-866-658-4147 [aleita@shaw.ca](mailto:aleita@shaw.ca)

**[www.lairdfinancial.ca](http://www.lairdfinancial.ca)**