

What Types of Insurance Do You Need?



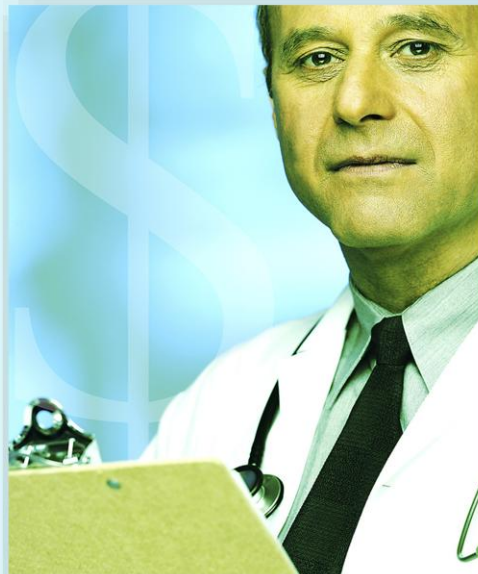
What Types of Insurance Do You Need?

Automobile Insurance



Have you ever been in an automobile accident? Have you or someone you've known had their vehicle stolen or vandalized? Automobile insurance, or car insurance, is an arrangement between you, the consumer, and the insurance company to protect you from risk if you are in an automobile accident. Automobile insurance helps individuals limit financial losses when an auto accident happens.

Health Insurance



Think about the last time you went to the doctor. Did you pay a co-pay or did you have to pay the entire fee up front to see the doctor? Many Americans have health insurance, since health care costs are extremely high. The average “Joe” can’t afford to pay health care costs out of pocket every time medical attention is needed, so people pay a monthly fee to the health insurance company and, in return, the company pays for part or all of your health care expenses when they occur.

Why do you need health insurance?



Why do you need to obtain health insurance? Health insurance provides protection from large financial losses for injury, illness, and disability and protects you from completely wiping out your savings each time you visit the doctor. It can cover you for routine doctor's visits, emergency events, or both.

Disability Insurance

Short-term Insurance

Covers an individual for a period of up to two years

Long-term Insurance

Covers an individual for periods of one year through retirement

Many Americans have disabilities due to an illness, accident, or injury. What if this affects you? What if you can't work and provide income for you and/or your family? In this case, disability insurance is available to prevent you from losing all of your income. In general, disability policies pay only some percentage of your salary, such as 80%, or it will pay only a flat amount, such as \$2000/month, regardless of how much you are paid.

There are two main types of insurance: short-term and long-term. Short-term disability insurance covers an individual for a period of up to two years. Long-term disability insurance covers an individual for periods of one year through retirement.

Life Insurance



Why would you need life insurance? Life insurance provides money for family members or other individuals when a person dies, and is especially important if this person financially provided for others.

Life insurance is a contract between the insurance company and a policyholder that specifies the amount of money to be paid upon the insured person's death.

Who receives the money? When you buy life insurance you are asked to name a beneficiary. The beneficiary is the person who will receive the money from your life insurance policy when you die.

Homeowner's Insurance



In the event of a natural disaster or fire, your home should be protected. To protect homes from damages due to tragedies, homeowners purchase homeowner's insurance. This insurance covers the costs for certain damages to the home and items within the home. It provides for replacement and rebuilding costs if the home is completely destroyed. Most mortgage lenders will not lend to consumers who do not have homeowners insurance for their property.

Renter's Insurance



I bet you can't wait to move out of your parent's house and get your own place. You will want to make sure that the belongings in your new place are insured if something happens – like a fire or a break-in. Do you plan on living in an apartment? Do you want to ensure that the belongings you have in the apartment will be protected if something happens to the apartment? You would need to purchase renter's insurance. Renter's insurance protects against the loss of contents in the residence, not the residence itself since the occupant is usually not the owner. It can provide for other living expenses if the residence is in a state of disrepair. Renter's insurance is necessary, since the landlord's insurance will not cover the renter's personal possessions.

An Insurance Floater or Rider



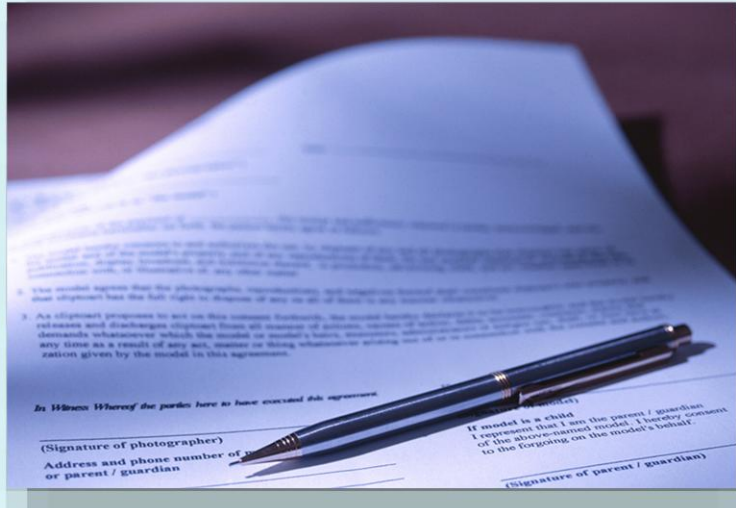
An insurance floater, also called an insurance rider, is a supplementary type of insurance that protects your possessions that can be easily moved. Though you might not think so, many things can happen to your “stuff.” Be sure to protect your possessions that you might not be willing to lose and might not be protected by other insurance policies. Floater insurance can cover items like expensive art, jewelry, electronics, and collectibles. As your property changes, endorsements can be written to change the original policy’s terms, as long as both you and the insurance company agree on the change of terms.

Professional Liability Insurance



Have you ever known anyone that sued a company for negligence? Maybe they fell while on the company's property? Or maybe they felt that a doctor or other professional performed their services incorrectly. Professional liability insurance, also known as errors and omissions insurance, protects business owners if they have a customer who claims that they suffered a financial loss from negligent services. In order for the liability insurance to be paid, the claim must be found to be true in a court of law. Professional liability insurance is often purchased by lawyers, educators, and those in the medical fields to protect them against malpractice or other legal charges.

How Do You Buy Insurance?



Now that you know some of the primary insurance policies that you will need, how do you actually purchase them? In order to purchase insurance, you must purchase a policy from an insurance company. This policy is a contract between you and the insurer that specifies the terms and arrangements of the insurance. Once you purchase the insurance policy, you are the policyholder.

Paying Premiums and Deductibles



Your policy will also state the premiums—a fee that is paid to the insurance company in order for you to be covered by the insurance policy under the terms in the agreement. Premiums are normally paid monthly, quarterly, or yearly. The policy will also state any deductible amounts that you will be required to pay. A deductible is the amount that you will pay out of your pocket as the policyholder when the loss occurs before the coverage on that specific incident begins. The amount of the deductible and premium can vary depending on the type of insurance purchased and the terms of the policy.

What If It's Not Enough



If someone feels that their amount of automobile, homeowner's, renter's or professional liability insurance coverage is not enough, they can purchase umbrella liability insurance to provide protection for those things not covered in the original policies.