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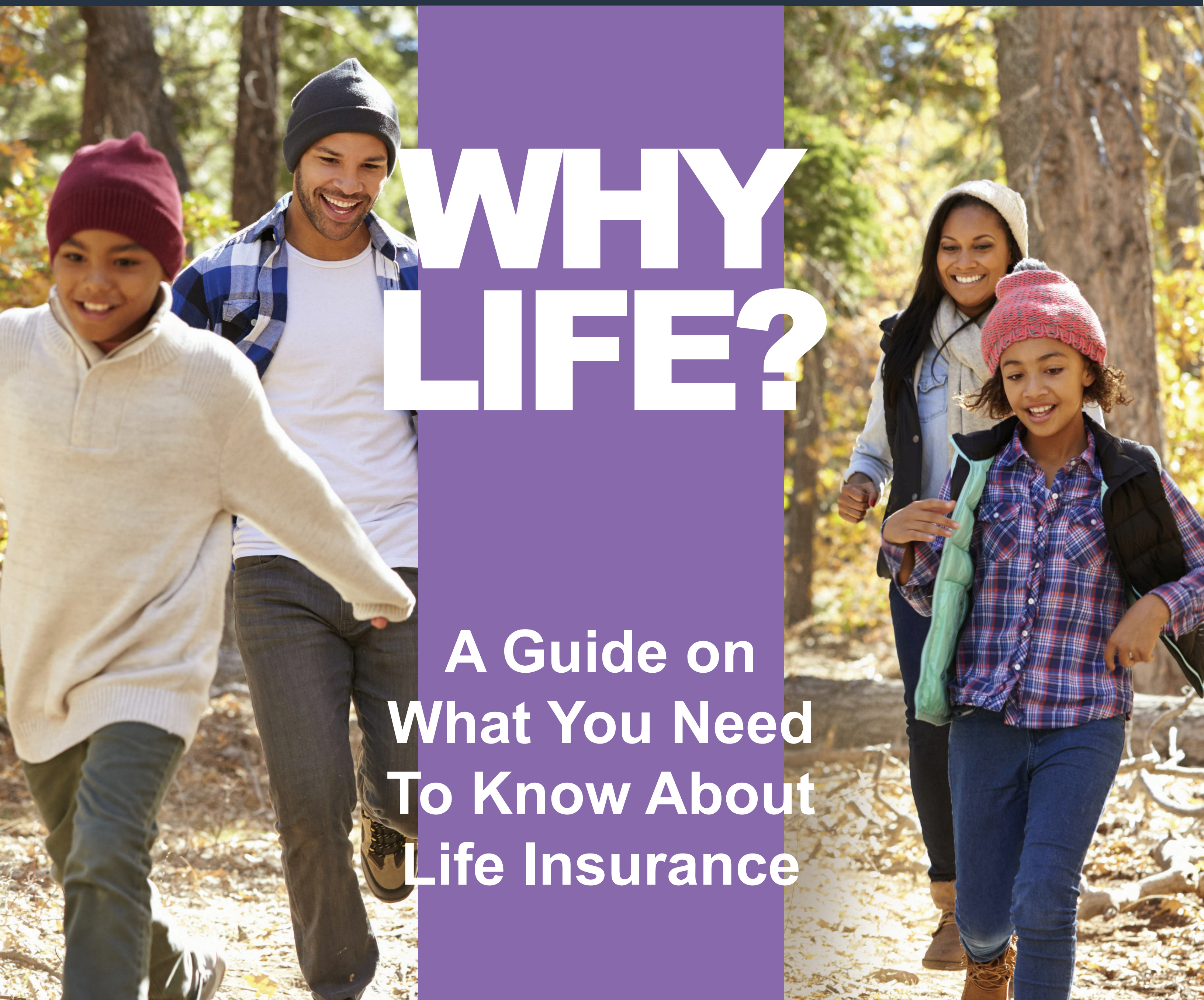
INSURANCE



WHY LIFE?

A Guide on What You Need To Know About Life Insurance

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Life doesn't typically go as planned. In fact, you could probably argue it rarely does. As unpredictable as your life journey is, wouldn't you find value in knowing that your mortgage, family and business are financially stable if something unexpected happens?

Six in 10 people own life insurance, according to LIMRA, a financial services research and consulting firm. And for those who don't have it, many agree they need it. By opening this e-book, you have taken the first step in not only recognizing the need for coverage or additional coverage, but in gaining an understanding of why life insurance is so crucial for you, your family and your business.

EQUIPPED WITH THE INFORMATION YOU'LL FIND IN THIS E-BOOK, YOU WILL HAVE A BETTER UNDERSTANDING OF THE PROTECTION YOUR FAMILY OR BUSINESS NEEDS.

This e-book is designed to help you gain insight into not only the importance of life insurance, but some of the various products available to you. Your roadmap of life has many twists and turns. No matter what stage of life you are in, you can find peace of mind in knowing that what matters most to you is secure by having the right type and amount of life insurance.

5 MYTHS ABOUT LIFE INSURANCE

5 Myths about Life Insurance

Life insurance is something everyone needs, and not having it when you need it most can be devastating for your family or business. Below are a few common misconceptions about life insurance.

1 Life insurance is really expensive.

Life insurance is actually affordable for most people. According to a 2016 LIMRA study, 80 percent of people overestimate the cost of a 20-year $250,000 life insurance policy for a healthy 30 year old. The average guess was $400. In fact, the actual price of that policy was $160 per year – a reasonable price for most 30-year-old adults.

2 If you are young and healthy, you don’t need life insurance.

If you are a healthy young adult, this is the perfect time to buy life insurance as it will typically cost the least. As you are more likely to develop health problems as you get older, the premiums will increase. Procrastination of getting life insurance also means that by the time you need it, it could be too late. You’ll never be younger than you are today!

5 Myths about Life Insurance *(continued)*

3 Single people don't need life insurance.

Single people may have children, be planning to get married or have parents that are aging. Or you may own a business or have debt to pay (student loans, car loans, etc.). Life insurance benefits can cover that debt and pay for burial costs.

4 Only the breadwinner needs life insurance.

Stay-at-home spouses need coverage, too. If you died, who would take care of your children, aging parents or even your pets? The breadwinner may have to hire someone to do these things if you passed away. Life insurance also gives the working parent time to take off work to help get things back in order and adjust to a loss without having to pull from savings.

5 If I have health issues, I can't get life insurance.

Unless you have severe issues, there is typically a life insurance policy for you. Medical conditions do mean higher premiums and possibly lower limits, but there are policies that don't require medical exams.

THE FACTS ABOUT LIFE INSURANCE

When do I need to get life insurance?

Right now! Every adult needs some type of life insurance - even the young and healthy.

What type of policy should I get?

Life insurance policies have two basic types: term life (has a set time period, 5-30 years) and whole life (remains in effect for your entire life). Pick a policy that makes the most sense for your needs.

How much life insurance do I need?

It depends on your current status (single, married, married with children). Consider debts and living expenses, too.

How do I buy life insurance?

- Gather information
- Select an insurance adviser qualified to help you
- Ensure the coverage fits your needs and budget
- Select a financially strong company and review proposals
- Apply for a policy

How to finalize your life insurance policy:

Once all the underwriting is complete, you will get an official policy with the final payment terms. Read through everything to make sure it fits your expectations.

Review your life insurance needs often:

As your circumstances change, you should revisit your insurance needs. Life changes should spur you to take another look at your coverage.

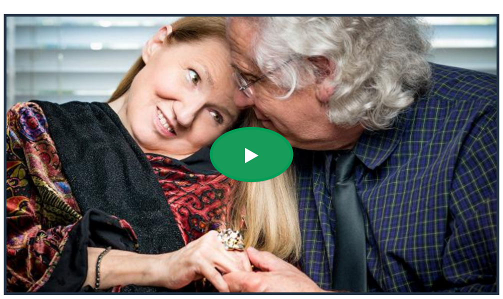
Source: Ohio Department of Insurance

WHY BUY
LIFE INSURANCE?

Life insurance is not a matter of life and death. Well, actually, it is. People don't like talking about death, and that could be why there is such a large number of households who lack the right amount of coverage. Being a responsible homeowner, parent or business owner means making sure those who depend on you are financially safeguarded if you unexpectedly leave them behind. Life insurance can be a financial and emotional decision. It's about taking care of those you love or who you are responsible for.

1 in 3 households would have immediate trouble paying living expenses if the primary wage earner died, according to the 2016 Insurance Barometer Study by Life Happens and LIMRA.

Life Insurance...for life



Most people think life insurance is there to protect families financially when someone dies. And while that's true, the "living benefits" of life insurance can also help families beforehand. This has been true for Kelly and Doak Snead.

Kelly found out she had a drug-resistant type of Parkinson's disease. Thanks to Kelly's term life insurance policies that have a disability waiver of premium, she never has to pay another premium. Because her diagnosis is incurable, her family is also able to access a percentage of the death benefit now, which has been a huge help financially.

DIFFERENT TIMES IN YOUR LIFE CALL FOR DIFFERENT COVERAGES

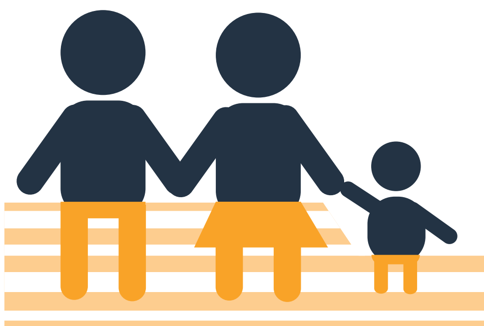
Whether you've just graduated from college, added a new member to your family or are planning for retirement, there is life insurance that caters to your needs. No matter what stage of life you are in, your independent agent can help give you peace of mind with the protection your family needs through the proper life insurance coverage.

Children under 18

Children are a blessing. There's no greater joy in life than the birth of a child and watching them mature. Along with that excitement can come a mountain of worry for their future health and financial success. As we hope that all children grow up to be healthy adults, that just isn't always the case. Sometimes an accident or illness later in life can make your child uninsurable. ***Youth Life Protector*** safeguards your child's protection and the right to purchase additional coverage regardless of a change in health. In fact, your child can increase coverage on six different option dates! Give yourself peace of mind and give your children or grandchildren a great start in life by establishing a solid foundation of life insurance coverage. Youth Life Protector can help pay for funeral costs and medical bills. It could also be used later for education expenses, a down payment for a home or retirement savings. Premiums are low and coverage is guaranteed for the life of the policy!

Young adults

At this stage, the world is your oyster as you embrace a new kind of independence. But with this freedom also comes new responsibilities and expenses. You probably have a mortgage to cover or student loans to pay off. If someone has co-signed a loan for you and you pass unexpectedly, they become responsible for paying off your debt. This is where a **term life insurance policy** could benefit you. It covers a set period of time. Term life is perfect for mortgage protection, families with young children or business owners seeking coverage for key employees. If you have a family and want something that will cover you for your life, permanent life insurance may be the answer. For 10 years following the date of issue, or at age 70 (whichever comes first), you can convert your term policy to a **whole life insurance policy**. Whole life premiums are guaranteed for the life of the policy. It won't expire, your rates will never increase and it will never decrease in value.



According to research conducted for the National Association of Insurance Commissioners (NAIC), less than half of young families have life insurance for either spouse that they have purchased on their own.

Established adults

If you are in your 40s or 50s, you may be paying for your children's education and looking for more coverage. However, if your house is paid off and your kids are financially independent, you may not need as much coverage. That's why proper planning is crucial. As you get older, life insurance becomes more expensive. Talk to your independent agent to see what the most affordable premium would be for your needs.

If you plan to retire in the next few years, keep in mind that **you will lose the coverage provided through your employer**. Talk to your agent now to find the best solution for your needs. You may even be able to transfer the policy you have through your work when you retire.

Retired

If you are retired, you are not covered by your previous employer's life insurance policy. Make sure you have the right coverage now by talking to your independent agent.

On any policies you may have, make sure to update your beneficiaries if need be. Also, make sure to provide the beneficiary with your policy information, including the company and policy number.

Retired *(continued)*

If you don’t already have it, a **Final Expense policy** can help your family with the burden of extra expenses when you have passed. It covers more than just funeral and burial costs, such as debt and ongoing monthly expenses. It can also cover probate and other estate administration costs and medical expenses not covered by health insurance.

Whether it’s building a family of your own or growing old with the ones you love, what happens to your family or business when you are gone? If you have a policy, it’s important that you review it with your independent agent every few years with changes that may happen in your family, income and needs to ensure you have the right coverage to meet your needs and goals. A mortgage, monthly daycare expenses, business expenses and every day bills won’t go away. It’s important not only that you have life insurance, but your spouse and children do as well – secure your family’s future now with the right coverage.

LIFE INSURANCE ONLY SEEMS COMPLICATED

Like any other type of insurance, life insurance has its own lingo (see page 28 of the Ohio Department of Insurance's Guide to Life Insurance & Annuities for a glossary of terms). To help you better understand the different types of insurance, you must first consider your goals and financial needs. Your independent insurance adviser can help you assess whether term or permanent insurance is the best fit for you. They are your expert guide to navigate your needs.

While you may have coverage through your employer, **employer-sponsored life insurance plans**:

- Are discontinued when your employment ends
- Do not carry over into retirement
- Have limited coverage

Types of life insurance and their benefits:

Term insurance (perfect if you owe someone)

- Lower cost in early years
- Customized coverage to last for a specific number of years
- Option to exchange for permanent coverage later without proof of good health

Whole/Permanent insurance (perfect if you love someone)

- Lower cost in later years
- Fixed premium - your rates will never increase no matter your health changes
- Coverage is permanent for life
- Guaranteed policy cash value
- Cash value accessible through surrender or policy loan
- Coverage may be continued without further premium being paid

Blend term and whole (perfect combination of both)

- Combine the advantages of term and permanent insurance to create the perfect coverage for you. Take care of your debts and the people you love with one policy.

HOW MUCH LIFE INSURANCE SHOULD I GET?

How much life insurance you should get depends on your life situation. Below is a quick and easy way to calculate your coverage needs. Walk through this guide with your knowledgeable independent agent to determine how much life insurance is right for you.

See below for an example or use a blank guide to calculate your needs.

Client in example is a married business owner with two kids.

Term insurance needs

College education	$ 200,000 (two kids)
Debt reduction	$ 20,000 (15,000 car loans; $5,000 credit card)
Mortgage payoff	$ 150,000
Term total	**$** 370,000

Permanent insurance needs

Final expenses	$ 20,000 (two adults)
Emergency fund	$ 10,000 (money set aside in case of a financial dilemma)
Charitable bequest	$ 10,000
Capital required for survival income	$ 100,000 (salary of provider for one year)
Permanent total	**$** 150,000
Total life insurance need	**$** 520,000

THE LIFE OF YOUR BUSINESS

You are living the American dream. You own your own business, make good money, have a team of valued employees working for you, and have a great family. You have many people depending on you. If you have an accident that results in disability or death, what would happen to your business? Your employees? Your family?

Ask yourself these simple questions in regard to your business:

- What would happen to my business if I died tomorrow?
- If I become permanently disabled, can my business survive?
- When I retire, what will happen to my business?
- Do I rely heavily on one person? What if that key person becomes disabled?
- How do I retain loyalty with my key employees?
- If my business has a financial slump, how can I make sure my business survives?

As a business owner, you've probably thought about all of these questions, but you may not have the answers. The right insurance coverage can help safeguard your business and family and improve the culture of your company.

Love insurance

Christy and Daryel Dunaway's love story began as a friendship and stayed that way for more than a decade until, as Christy says, "I understood that love was about having someone who loves you as you are – heart and soul."

Daryel started a business with his friend, Handicapable Vans, which adapts vehicles for people with disabilities. An insurance professional worked with Daryel to get the life insurance he needed and made sure it was increased as his business grew. At the age of 57, tragedy struck and Daryel passed away. As Christy coped with the loss of the love of her life, she credits Daryel's life insurance with giving her time to grieve.

Below are ways to protect what's important to you and your business.

Success of your business

A **buy-sell agreement** is an agreement between co-owners that when one co-owner retires, becomes disabled or dies, the other co-owner can buy their share of the business. These agreements are typically funded by life insurance policies and include a mutually agreed upon price for the shares. This protects not only the continuation and success of your business, but your family's financial future as well. These agreements typically happen when the business is formed, but they can be done at any time, such as when a new co-owner joins.

Operating expenses

If a business owner becomes permanently disabled, **business overhead insurance** reimburses a business for overhead expenses. It helps cover expenses such as payroll, benefits, taxes, rent, mortgage, utilities, etc.

Subject matter experts

Often, there are key employees, or subject matter experts, that have a huge impact on the business. **Key man insurance** is life or disability insurance specifically for that key person if death or disability occurs. Your independent insurance agent can help you determine which employees this type of coverage may be right for.

As your business grows and your needs change, it is important to review your policies regularly to make sure you have the right coverage. Let your independent agent be your trusted adviser to help make sure you have the proper coverage for your current needs.

SIX REASONS WHY YOU NEED LIFE INSURANCE

Six reasons why you need life insurance

Work coverage is not enough.	Employer-sponsored life insurance is a great job perk, but it's typically not enough coverage. It's also important to know that this plan is stopped as soon as your employment ends and does not carry over to retirement.
Passing away shouldn't be a liability.	Don't leave your family stranded with medical bills and other debt. Life insurance is about caring for the living when you are gone.
Funerals are expensive.	When a loved one dies, trying to collect the money to pay for funeral arrangements can be quite costly and create financial problems. Mourning a loss of life is painful enough. Adding the extra expense of funeral arrangements can be a big toll on a family. Take that headache away.
Protect your business.	If you own a business and tragedy strikes, what happens to your employees or your family? Have a plan in place to make sure that not only the business survives, but everyone involved is taken care of as well.
Gain peace of mind.	Take the weight off your shoulders and know that your family or business will be taken care of financially. Help your family and employees sleep better at night.
Life is unpredictible.	On the roadmap of life, anything can happen at any time. Make sure your loved ones are taken care of in the event of an accident that would lead to a disability or even death.

Securing the American dream

Steven and Ngoc Anh Tang left Vietnam to pursue the American dream: They wanted their children, Jimmy and Nancy, to have a better life. Their insurance professional Annie Vu also helped them secure their children's financial future in case the worst were to happen. The couple purchased permanent life insurance for both Steven, who worked for an hourly wage, and for Ngoc Anh, who was mainly a stay-at-home mom.

Unfortunately, the worst did happen. Ngoc Anh was involved in a car accident that eventually led to her death, and three years later, Steven died of liver cancer. The children were on their own. Life insurance helped Jimmy and Nancy continue their education and get back on their feet.

WHAT TO EXPECT WHEN YOU APPLY FOR LIFE INSURANCE

If you've taken the important step in deciding to get life insurance, it can take some time and several steps. Here is what you need to know.

1 To get started, you will go through an in-depth evaluation, otherwise known as the underwriting process. Your agent will ask you several general questions about your health to start the application process.

2 The insurance company will then follow up with a telephone interview to get a more complete picture of your lifestyle and health. It's nothing to worry about but best to be prepared. Here's what you can expect: an associate of the insurance company or licensed medical professional may call you to get more details on your personal and family's medical history. You will also be asked for some financial information. Have your doctor's information handy as well as any recent hospitalizations and a list of the medications you take.

3 You will need to take a paramedical exam (but there are options available if you don't want to take an exam). This is an assessment conducted by a licensed medical professional and shouldn't take more than 30 minutes. The medical professional takes a blood pressure reading, gets your height and weight, and may collect a blood and urine sample.

4 After the exam has been conducted, the underwriting department of the insurance company will review your full application and may contact you with any additional questions they may have.

5 Your agent will notify you when a decision is made.

6 If approved, your policy will be delivered to you. Make sure to review it carefully, and if you have any questions, be sure to contact your independent agent.

There are options available to you if you don't want to take a medical exam. For example, **real-time term** can give you the coverage you need in less than 20 minutes. Talk to your independent insurance adviser for more information.

CONCLUSION

Life insurance is a financial and emotional purchase. It may not seem like a necessity with other monthly expenses to pay, but it could be detrimental to your family's pocketbook if a policy isn't put in place. Make it a top consideration for your household and business. As it is a complex coverage, your trusted advisers at Hill & Hamilton can help guide you to the right solution for your needs.

The bottom line is this: You likely don't have the coverage you need. If anyone relies on you, make sure you have the life insurance needed to secure their future.

If you already have a policy, it is important to review the policy with your independent agent every few years to go over any changes in your family, business and overall needs.

Quick links:

Life Insurance FAQs | **Life Insurance Buyer's Guide**

ABOUT THE AUTHORS

Matt Simon, CIC, CPCU, has been a licensed insurance adviser with CoverLink since 2006. Prior to joining the team at CoverLink, he worked as an underwriter with a multi-state insurance company located in Columbus, Ohio. Matt is a Certified Insurance Counselor (CIC) and Chartered Property and Casualty Underwriter (CPCU), having successfully completed the rigorous coursework and exams to earn these designations. He's the vice president at CoverLink, serves on the board of directors for Ohio Insurance Agents Association and the Associated Risk Managers of Ohio. In 2013, Matt was awarded and recognized as the National Young Insurance Agent of the Year.

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INSURANCE

CoverLink Insurance is an industry leading, independent insurance agency, that has been obsessively protecting and caring for its clients since 1920.

It begins with a simple question: why? Why do we do what we do? What do we believe?

At CoverLink, we care deeply about our clients. We want to be there to pick up the pieces when tragedy strikes their lives. We exist because of our unwavering commitment to, and compassion for, our clients. To us, it's about people, not policies. People have assets to protect. People have loved ones they care for and employees who depend on them. People have dreams to pursue. We believe it's our responsibility to safeguard the people we care about.

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Headquartered in Columbus, Ohio, Encova is a regional insurance carrier that includes 11 property and casualty, life insurance, and insurance brokerage companies.

We provide insurance solutions through 14,000 agents in 24 states across the Midwest, Northeast and South. Whether it's customizing a policy, filing a claim or serving our communities, Encova believes local needs are best served by your neighbors. We are in your corner when you need us most – our success comes from trusting relationships built on loyalty and integrity, which is the heart of who we are. We are committed to leaving a lasting impression in all communities we serve. Because what sets us apart is far more than what we do — it's how and why we do it. We know you. You know us.

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LIFE INSURANCE NEEDS GUIDE

Term insurance needs

College education	$______
Debt reduction	$______
Mortgage payoff	$______
Term total	**$______**

Permanent insurance needs

Final expenses	$______
Emergency fund	$______
Charitable bequest	$______
Capital required for survival income	$______

Permanent total	**$______**
Total life insurance need	**$______**