

INSURANCE NEEDS ASSESSMENT: WHEN YOU'RE NEWLY MARRIED

Marriage changes everything, including insurance needs. Newly married couples should consider a comprehensive review of their current individual insurance coverage to determine if any changes are in order, as well as consider new insurance coverage appropriate to their new life stage.

Auto

The good news is that married drivers may be eligible for lower rates than single drivers. Since most couples come into their marriage with two separate auto policies, you should review your existing policies and contact your respective insurance companies to obtain competitive quotes on a new combined policy.

Home

Newly married couples may start out as renters, but they often look to own a home or condo as a first step in building a life together. The purchase of homeowners insurance or condo insurance may be required by the lender. While these policies have important differences, they do share the same purpose — to protect your home, your personal property, and your assets against any personal liability.

You should take special care of what is covered under the policy, the types of covered perils, and the limits on the amount of covered losses. Pay particular attention to whether the policy insures for replacement costs or actual cash value.

Health

Like auto insurance, couples often bring together two separate individual health insurance plans. Newly married couples should review their health insurance plans' costs and benefits and determine whether placing one spouse under the other spouse's plan makes sense.

Disability

Married couples typically combine their financial resources and live accordingly. This means that your mortgage or car loan may be tied to the combined earnings of you and your spouse. The loss of one income, even for a short period of time, may make it difficult to continue making payments designed for two incomes. Disability insurance is designed to replace lost income so that you can continue to meet your living expenses.

Keep in mind that this article is for informational purposes only and is not a replacement for real-life advice, so make sure to consult your legal professional before implementing a strategy that includes disability insurance.

Life

Central to any marriage is a concern about the other's future well-being. In the event of a spouse's death, a lifestyle based on two incomes may mean that the debt and cash flow obligations can't be met by the surviving spouse's single income. Saddling the surviving spouse with a financial burden can be avoided through the purchase of life insurance in an amount that pays off debts and/or replaces the deceased spouse's income.

Several factors will affect the cost and availability of life insurance, including age, health, and the type and amount of insurance purchased. Life insurance policies have expenses, including mortality and other charges. If a policy is surrendered prematurely, the policyholder also may pay surrender charges and have income tax implications. You should consider determining whether you are insurable before implementing a strategy involving life insurance. Any guarantees associated with a policy are dependent on the ability of the issuing insurance company to continue making claim payments.

Liability

Personal liability risks can have a significant impact on the wealth you are beginning to build for your future together. Consider purchasing umbrella insurance under your homeowners policy to help protect against the financial risk of personal liability.

Extended Care

Extended care insurance may be a low priority given other financial demands, such as saving for retirement. Nevertheless, you may want to have a conversation with your parents about how an extended care program may play a role in their retirement financial strategy.

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright 2021 FMG Suite.