LET'S TALK MONEY®

January/February 2018

Many people buy life insurance, file their policy away and never give it a second thought. That can be a mistake. As life changes, it's important to review your life insurance to determine if it still meets your changed circumstances.

When reviewing the adequacy of your life insurance coverage, take into consideration the following events:

Marriage and divorce

You may want to increase your life insurance coverage when you marry to provide financial protection for your new spouse. Life insurance can be used to replace lost income, pay off a mortgage and provide for your children in case you or your spouse dies unexpectedly. In case of a divorce, life insurance can help ensure that your children continue to be financially protected.

Births or adoptions

If you have recently welcomed a child into your family, you may want to consider increasing your coverage. In the event of your death, life insurance proceeds could help ensure that your loved ones wouldn't have to go without. And with the cost of college constantly rising, life insurance could help fund your children's future education.

Buying a home

Life insurance benefits can help keep your loved ones in the family home, especially if you carry a sizable mortgage.

Children leaving the nest

Your needs may change once you pay off your home and your children move out on their own. Life insurance can help provide a financial safety net for your spouse after you're gone. This may be especially important if your spouse is younger than you and could face many years on his or her own.

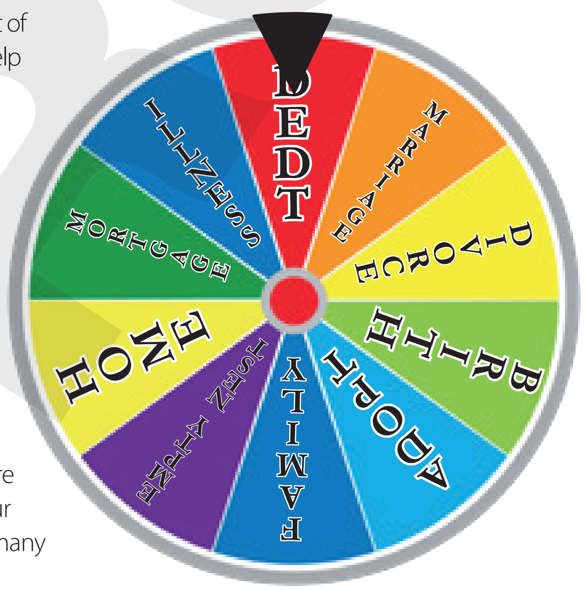
Ill health of a family member

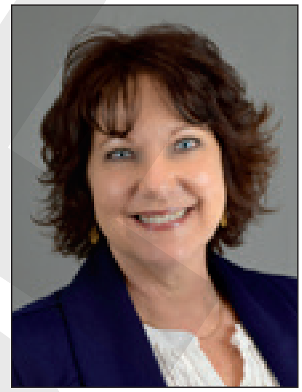
You may have a parent who is ill or needs care. If you die unexpectedly, life insurance benefits can help provide for an elderly parent—or special needs child—who depends on you for financial support.

Adding new debt

You don't want to leave your spouse saddled with debt, so make sure your coverage is sufficient to pay off what you owe.

When Life Changes, Change Your Coverage





Karen Petrucco
Account Manager

LTM Client Marketing
125 Wolf Road, Suite 407
Albany, NY 12205

Tel: 518-870-1082
Fax: 800-720-0780
kpetrucco@ltmclientmarketing.com
www.ltmclientmarketing.com

I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Insurance Version

LTM Client Marketing
Partners in your marketing success

One Piece of the Puzzle

Do you know where your retirement income will come from? If you're like a lot of people, it won't come from just one source. Your retirement plan, pensions, other savings, a job during retirement and Social Security all may be potential sources of income. It's typically a good idea not to rely on a single source — especially Social Security — to provide the bulk of your retirement income.

Timing matters

When you retire affects how much you receive from Social Security. The earliest you can start collecting retirement benefits is age 62. But taking benefits before your full retirement age means your monthly benefit will be reduced. Your full retirement age is based on the year you were born. If you were born in 1960 or later, your full retirement age is 67. For individuals born during the 1950–1959 range, full retirement age ranges from 66 to 66 and 10 months. If you delay taking benefits past your full retirement age, your benefit will increase by a certain percentage each year until you reach age 70.

Getting an estimate

Unless you're about to retire, you can't be sure exactly how much you'll receive from Social Security. Use the Retirement Estimator on the Social Security Administration website (www.ssa.gov) to get an estimate of your future Social Security retirement benefits. But remember, this is just an estimate.

You also should consider what current retirees receive from Social Security. On average, retired workers received an estimated $1,360 a month from Social Security in January 2017.* For a year, that's about $16,320. Chances are, you're going to need more than what Social Security provides.

Contributing more

Since Social Security likely will be just one source of retirement income, start thinking about your other potential sources — such as employer-sponsored retirement plans, individual retirement accounts, and investments. Saving more for retirement now may help provide a boost to your income when you will need it.

* Fact Sheet: 2017 Social Security Changes, Social Security Administration, 2017

Social Security Retirement Benefits

Source: Social Security Administration

61%
Retirees with at least half of income provided by Social Security

$1,360
Average monthly benefit for retirees in January 2017

55%
Social Security beneficiaries who are women

43.2 million
Number of beneficiaries aged 65 or older

5.7 million
Number of beneficiaries aged 85 or older

Healthy Financial Habits

Resolving to get financially fit is a great way to start 2018. Here are some ways to develop healthy money habits in the new year.

Track your spending

Keeping track of the money you spend on big and little purchases can help you take control of your spending. Following a budget that's reasonable for your situation may help you not overspend.

Limit credit card use

If you don't pay off your credit card balances right away, interest can quickly add up and become a major problem. Consider leaving the cards at home when you go shopping and using cash or a debit card instead.

Pursue your goals

Planning for long-term goals, such as a down payment on a house, college tuition for your kids and your retirement, is important. Figure out how much you'll need to accumulate and how much you need to save on a regular basis.

Make 2018 a great year to get financially fit. Talk to your financial professional about making healthy financial moves now.

Put Away the Piles

Is financial paperwork piling up on the dining room table or kitchen counter? Setting up a filing system can help you save time, reduce stress and avoid late fees and misplaced tax records. Here are a few ideas to help you get started.

Have a routine

Deal with documents as soon as you receive them. Decide right away if each item needs to be paid, filed or discarded. If you won't need a piece of paper, shred it.

Set up a simple system

Choose a filing system that makes sense to you. Organize paperwork into groups, such as credit card receipts, monthly bills and tax records.

Go electronic

Ask your employer to deposit your paycheck directly into your bank account. Also, consider doing more online, such as having recurring bills paid automatically from your checking account and doing your other banking electronically.

In Case of Emergency

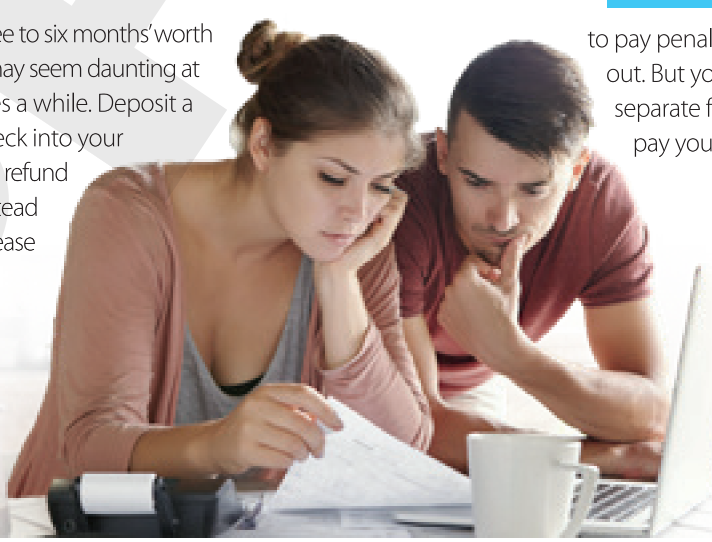
Are you prepared for a large, unexpected expense? What would you do if the roof were to leak, the car were to need a new transmission or you were to have a medical emergency? Would you charge the amount to a high-interest-rate credit card or turn to your emergency fund to cover the cost? If you don't have an emergency fund, here's how to build one.

Start small

Your goal should be to set aside three to six months' worth of living expenses. While that goal may seem daunting at first, you can do it — even if it takes a while. Deposit a specific amount from each paycheck into your emergency fund. Put any bonus, tax refund or other windfall into your fund instead of spending it. If you get a raise, increase the amount you're contributing.

Separate account

Your emergency fund should be in an account that you can access quickly and easily. You don't want to have to sell investments at an inopportune time or have to pay penalties or fees for taking your money out. But you will want to keep your fund separate from the checking account you use to pay your regular bills.



Emergency only

You should tap into your emergency fund only for true emergencies. Don't use it for vacation, impulse purchases or even an anticipated large expense, such as a home improvement. If you do need emergency relief, replenish the fund as soon as possible.

LET'S TALK INSURANCE

Q. I have a life insurance policy that no longer meets my needs. I plan on buying a different policy. Should I cancel the existing policy before I buy the new one?

A. Since you probably don't want to risk having a gap in coverage, it might be smart to keep your original policy in place until the new one becomes operational. It is possible that the insurer could determine that you have a health issue that you may be unaware of and reject your application for a new policy. Once you have a new policy in place, then you can take steps to cancel your existing policy.

Q. I was the beneficiary of a life insurance policy and recently received the policy proceeds in a lump sum. I'd like to invest the money but first want to find out if the policy payout will be taxable to me?

A. Generally, life insurance death benefits that are paid out to a beneficiary in a lump sum are not included in the beneficiary's taxable income for federal income-tax purposes. So, in most cases, beneficiaries are free to invest or spend the money without having to be concerned about an income-tax bill. The tax situation can become more complex if ownership of a life insurance policy was transferred before death in exchange for money or other consideration. If there was an ownership change with the insurance policy, you should consult your tax advisor to find out how your taxes might be affected. Also note that life insurance proceeds could be subject to estate taxes.

We Value Your Input...

Your feedback is very important to us. If you have any questions about any of the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

Recyclable
2018/01 INS

Financial Industry Regulatory Authority

August 22, 2017

Reference: **FR2017-0818-0074/E**

Org Id :8408

REVIEW LETTER

1. Let's Talk Money 2018 January/February Insurance newsletter and optional cover letter
   Rule: FIN 2210
   4 pages

The material submitted appears consistent with applicable standards.

Reviewed by,

Brian L. Finnell
Associate Principal Analyst

aec

NOTE: *This review is limited to the communication that was filed. We assume that the communication does not omit material facts, contain statements that are not factual, or offer opinions that do not have a reasonable basis. This communication may be described as "Reviewed by FINRA" or "FINRA Reviewed"; however, there must be no statement or implication that this communication has been approved by FINRA.*

Advertising Regulation
9509 Key West Avenue
Rockville, MD
20850

t 240 386 4500
f 240 386 4568