

# LET'S TALK MONEY<sup>®</sup>

September/October 2020

## The Cost of Life Insurance

Many factors affect the cost of life insurance. While you can minimize some of these costs, others are out of your control. Either way, understanding how life insurance is priced can help you make a more informed and less expensive buying decision. And as this year's turmoil has shown, adults of every age should consider their need for life insurance.

### The Basics

Two factors have an outsized effect on life insurance premiums. The first is your age. Simply put, life insurance becomes more expensive as you age, dramatically so later on. The second is how much insurance you buy.

Life insurance can either be underwritten or not. The cost of group life insurance you get through your employer is typically not underwritten but based on the insurer's experience with a particular group of insured people. Other life insurance policies, especially some that you buy individually, are underwritten. Underwriting is as simple as a questionnaire about your health or as complicated as a blood test or medical exam. The latter is usually reserved for the highest life insurance amounts.

Finally, some types of life insurance offer options, called riders. They can pay premiums if you become disabled, increase your life insurance benefit over time and more. Some cost extra, others are free.



### Other Factors

One factor dramatically affecting life insurance premiums is the health of the insured person. Some health conditions can increase premium costs a little or until they are almost unaffordable. Other factors, like occupation, can also affect costs. For example, insurers may consider a librarian a safe job, but not cover a professional skydiver for an on-the-job accident.

There are things you can do to reduce costs and some of these steps revolve around health. If you smoke, find a smoking cessation program and try to stop. In time, this will lower your premiums and could improve your health. If you have health conditions you can correct with a good diet or exercise, take action to improve your health. And if your driving record factors poorly into your life insurance premiums, become a safer driver.

These and other steps can help you save on life insurance premiums. Talk to a life insurance professional to learn more.



**Karen Petrucco**  
Account Manager

**LTM Client Marketing**  
45 Prospect Ave  
Albany, NY 12206

Tel: 800-243-5334  
Fax: 800-720-0780  
sales@ltmlclientmarketing.com  
www.ltmlclientmarketing.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**  
helping financial professionals stay connected

The sender and LTM Marketing Specialists LLC are unrelated. This publication was prepared for the publication's provider by LTM Marketing Specialists LLC, an unrelated third party. Articles are not written or produced by the named representative.

# Ways to Lower Your Auto Insurance Bill

If you drive, most states will require that you carry liability coverage. This can prove costly, especially if you are in a higher risk group or have a poor driving record. And if you have a newer car, you may want to carry additional collision and comprehensive insurance to cover your car. There are ways, however, to lower your total insurance costs.

## Common Sense

Practice safer driving habits. Teens can't become older drivers overnight to qualify for lower rates, but they can become safer drivers. If you're in the market to buy a car, understand that some models will cost more to insure than others. If you're young, good grades may get you a better rate. If you're older, a defensive driving course could lower premiums.

Consider dropping collision insurance on older vehicles, since they will drop in value with age. Collision coverage won't pay more than fair value for a total loss. Bundle other insurance

policies with the same insurer for a discount and, in some states, get an additional discount for good credit or improving it.

## Newer Ways to Save

Anti-theft devices, low driving mileage and increased deductibles also lower premiums. And some insurers will now install safe-driving devices that can help you lower costs if they show you have good driving habits or drive fewer miles. Ultimately, do your homework when looking for auto insurance and shop around to lower your total expenses.



# Ways to Lower Your Car Rental Costs

Renting a car can involve a labyrinth of extra fees and charges, which can raise rental costs dramatically. You may, though, refuse some of these safely to lower what you pay.

## Limit the Extras

Ditch the extras if you can. From GPS devices to child safety seats, car rental companies charge a fortune for extras. Bring your own when you can. Learn how much tolls are and compare them to what car rental agencies charge to include an electronic toll pass or transponder.

## Explore Alternatives

Compare timeframes. Some rental companies might offer a deal on a week that costs less than renting for four days. If there are no offsetting

early return fees or penalties, take the deal and return early. Also check out rental fees for picking up and dropping off outside of airports. The difference can be substantial if you opt for a little less convenience.

## Use Your Own

The daily insurance fees rental companies charge are steep, and they might duplicate what you already have. Check with your auto insurer to see what's covered, and consider using a credit card that may provide an extra measure of rental car insurance coverage.



# How to Repair Poor Credit

Poor credit can raise your borrowing costs or eliminate your ability to borrow altogether, and it can even disqualify you from employment opportunities. If you have poor credit, take heart in knowing you can improve your credit score. Here's how to start the process:

## Understand Your Problem

Why is your credit score low? Do you make late payments or carry too much debt compared to your overall credit limit? These are two of the more common reasons consumers are denied credit, but you can increase your score now. Start by making it your mission to pay every bill on time. A recent history of on-time payments will help improve your score. If you carry too much debt, stop spending and start paying some of it down. Creditors want to see responsible customers.

## Change Your History

Creditors also want to see a history of good credit habits, so your mission to improve your credit score will take some time. If you have little or no previous credit, you'll also need to demonstrate at least a small history of good financial habits. You might start with a secured credit card.

## Limit Inquiries

Credit card companies and other lenders may look at your credit without your intent to borrow. Don't worry about these affecting your scores, but don't add to your debt, either. Applying frequently for new cards or loans can also hurt your score.



# Getting and Reading Your Credit Report

Your credit report affects everything from getting a charge card to getting a job, so it pays to know how to request and understand it.

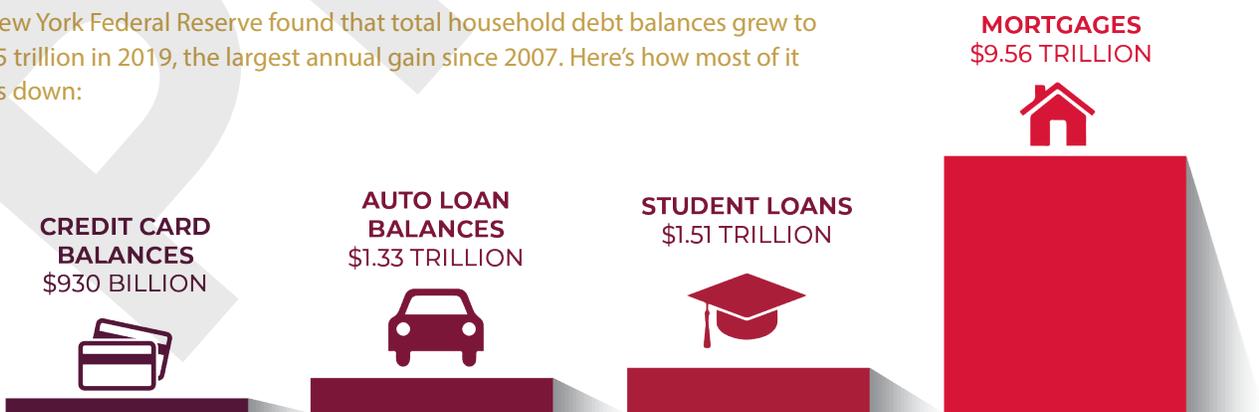
**Your Rights-** Normally you have a right to see a free credit report once every 12 months—more often if you are refused credit during this time. But, due to the pandemic, the three credit reporting bureaus — Experian, Equifax, and TransUnion— are allowing Americans to access their credit reports for free once per week until April 21, 2021. Get it online at <https://www.annualcreditreport.com>. You'll need to provide personal information, including your date of birth and social security number, to receive the report.

**What's There -** Once you receive the report, you'll want to check for the accuracy of your personal information, credit accounts (including mortgages, loans and card balances), status (either negative or positive) and inquiries. It may also include any bankruptcies and liens. Make sure every account belongs to you and that the information for every account on each report is accurate.

If you find an error, the credit bureau and creditor that reported the error must correct it. Each credit reporting agency posts the steps you need to take to correct any mistake, but they usually start with putting your complaint and the specifics in writing.

# Debt on the Rise

The New York Federal Reserve found that total household debt balances grew to \$14.15 trillion in 2019, the largest annual gain since 2007. Here's how most of it breaks down:



# How to Choose a Trustee

Compared to setting up a trust, choosing a trustee can be relatively simple. But not always. Money can drive a wedge between even the closest families, so choosing between a loved one, a professional advisor or a financial institution as trustee isn't easy.

## Getting Started

Families who want to pass on wealth efficiently or ensure specific instructions are followed for the benefit of special-needs children may use a trust to facilitate their wishes. Every trust must have a trustee, who has the legal and personal responsibility to carry out the terms of the trust.

A trustee may need expertise in multiple areas, depending on the trust's complexity. For example, the trustee must serve as a business administrator to record financial activities, such as scheduled disbursements to beneficiaries, investment results and more. That person may also be responsible for managing investments, which even professionals have difficulty doing during volatile economic times.

The trustee must also file local, state and federal tax returns, even if the beneficiaries are receiving tax-free disbursements, and may need to understand arbitration should a disagreement between the trust's beneficiaries arise.

## Making the Choice

Finding a loved one who can serve proficiently in all these capacities can prove difficult, although this person could hire specific professional help like a CPA or arbitrator. After all, the advantage of having a loved one serve as trustee is the familiarity that person brings to the situation.

Knowledge of a loved one's philosophy makes it more likely the trustee will follow the original intention of the trust.

However, emotions and even money could get in the way and cloud the trustee's judgments. For example, it's easy to see a conflict if a trustee who is also a beneficiary has to decide whether to grant emergency funds to a beneficiary, which could reduce the trust's principal and the trustee's share.

A financial institution serving as trustee might have the multi-disciplinary skills needed and would take the emotions out of decision-making. But the institution might not have familiarity with the intentions of the trust's creator, the grantor. So, if you plan to create a trust, research your options before making a final decision.



*This publication is not intended as legal or tax advice. All individuals, including those involved in the estate planning process, are advised to meet with their tax and legal professionals. The individual sponsoring this newsletter will work with your tax and legal advisors to help select appropriate product solutions. We do not endorse or guarantee the content or services of any website mentioned in this newsletter. We encourage you to review the privacy policy of each website you visit. Limitations, restrictions and other rules and regulations apply to many of the financial and insurance products and concepts presented in this newsletter, and they may differ according to individual situations. The publisher and individual sponsor do not assume liability for financial decisions based on the newsletter's contents. Great care has been taken to ensure the accuracy of the newsletter copy at press time; however, markets and tax information can change suddenly. Whole or partial reproduction of Let's Talk Money® without the written permission of the publisher is forbidden.*

©2020, LTM Marketing Specialists LLC

## 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.

## ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

May 13, 2020

Reference: **FR2020-0420-0307/E**

Link Reference : FR2020-0221-0257

Org Id: 23568

1. Lets Talk Money Newsletter Sept - Oct 2020 Insurance  
Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

Natlyn D. Murrain  
Associate Principal Analyst

hrm

*Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.*

***NOTE:*** *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it*