10 Reasons to Get Life Insurance

1 **Income Replacement:** If you are a breadwinner in your home, insurance can pay the bills when your income is no longer coming in.

2 **Final Expenses:** With funeral and burial costs at more than $10,000, the death of a loved one can leave a financial burden.

3 **Estate Liquidity:** When an estate is inherited, there could be taxes a beneficiary will have to cover.

4 **Locking in a Low Premium:** Premiums increase as people age. Buying life insurance at a young age can lock in a low premium.

5 **Transfer Family Wealth:** Life insurance policies allow you to leave more tax free money to your family as part of your estate.

6 **Build Cash Value:** Whole Life and Universal Life policies offer a tax advantaged way to build cash value.

7 **Cover Debts:** A life insurance policy can help pay off a mortgage loan so beneficiaries can continue to live in the home or remove the immediate need to sell it.

8 **Business Succession:** For a family business, the continuity and succession may require costs like a Buy/Sell Agreement. To protect your descendents and your company, life insurance can provide important funds.

9 **Tax Benefit:** Policies can provide a tax shelter and retirement savings plans options, especially for high income earners.

10 **Charitable Gift:** A life insurance policy can help make a big impact to a cause important to the deceased.

4 Things Canadians Would Rather do than Think About Life Insurance

A recent survey commissioned by TD Insurance found that rather than think or talk about insurance coverage, 62% of respondents would prefer to:

1 - Shovel snow
2 - Spend a Saturday doing laundry
3 - Go to the dentist
4 - Wait in an airport security line

Studies have shown that many people prefer to avoid thinking about negative situations, even if they believe those situations are likely to happen. Shopping for insurance is one of those times in life where you are forced to think about situations you would rather avoid.

Why Longer Car Loans Should Worry You

Thanks to low interest rates, Canadians are taking on longer car loans. I have heard of payment stretches out to 96 months, or eight years (some cars don't even last eight years). Even though car prices are rising, people love the low monthly payments. The problem is, when you go to trade in your car after four or five years, you find out that you owe more in payments than what the vehicle is worth.

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Investor Insight

a publication of McFarlan Rowlands Life Insurance & Investments Inc.

Fall/Winter 2014

Economic Outlook

The Standard & Poor's 500 has risen from 666 on March 6, 2009, to the 2000 level in August 2014. The rise has been relatively uninterrupted over the last couple of years and investors have become increasingly worried about an eventual correction.

Corrections do occur and one may very well start today, but generally they do not start when investors are expecting it.

We don't know how long investors will continue to worry, but the stock market tends to continue to rally when investors are scared and disappoint when investors are enthusiastic.

6 Mistakes Couples Make in Retirement

If you and your spouse haven't yet sat down and talked about what you will do in retirement, you'd better do it soon. Retirement experts say there are a lot of mistakes couples make in retirement, and many of them involve communication and planning, or the lack of it.

Here are six of the biggest mistakes couples make in planning for and living in retirement.

1 **They never talked about what each of them expected retirement to be:** When one or both stop working they spend a lot of time together. They stare at each other and ask if they like the person they are with.

2 **Couples in second and third marriages didn't think to plan for their potentially unique problems:** The second marriage situation causes a couple to deal with who gets what at death. There are often conflicts between providing for surviving spouses and providing for children from a previous marriage.

3 **They didn't do a proper financial planning:** Many aren't accumulating enough assets for their lifestyle, or the lifestyle they plan to live costs more than their assets will cover. Too often, retirees realize that their assets aren't growing, which is fine if you live to 78 or 80, but not if they live to 90.

4 **They haven't planned for emergencies:** Illnesses, accidents, home repair cause you to turn to an emergency reserve account. If you don't have one, it could lead to tax implications, if you have to redeem registered funds.

5 **Retiree's didn't consider the cost of health care or long term care:** Failing to plan for long term care is a huge mistake couples make. Eight out of ten couples will have an individual who requires long term care.

6 **Only one partner is handling financial matters:** It is important that both partners actively participate in financial discussions. If one spouse dominates finances and becomes ill, it leaves the uninformed spouse without direction. If couples can't converse about money, they need the help of a financial advisor.

The Pros and Cons of Insurance at Work

Employer- sponsored medical benefits are often better than individual insurance policies and have fewer health qualification questions. However, company- sponsored death and disability benefits are not always enough on their own. Coverage could suddenly be reduced, so it is wise to shop around and formulate a back-up plan.

Employer- sponsored medical plans have a pricing advantage because of tax treatment. Employers can deduct the cost of providing coverage and employees pay no tax on benefits.

One downside of employer- sponsored life insurance plans is that they have level premiums, that is, employees are charged the same rates, regardless of age or differences in lifestyle. For example, young athletic women would pay the same premiums as older, physically inactive male smokers.

Death benefits from employer- sponsored plans can be one, two or three times annual salaries. Some plans pay less, so may be inadequate for families with dependent spouses and children.

Employers have the right to change or negotiate reductions in life, disability and other benefits. You may be able to convert coverage to an individual plan, but it may be hard to buy more coverage if your health deteriorates.

Employee plans typically pay only a percentage of pre-disability earnings for two years only. Then you are expected to find a job commensurate with your education, experience and training, despite new physical or mental limitations.

Learn your rights and obligations with any group benefits or individual insurance you acquire. You should be grateful if an employer offers a comprehensive package of benefits. Then you should seek advice to determine if your plan requires supplementing with individual coverage's.

"Money is a guarantee that we may have what we want in the future. Though we need nothing at the moment it insures the possibility of satisfying a new desire when it arises." - Aristotle

"The art is not in making money, but in keeping it." - Proverb

"More is lost by indecision, than by the wrong decision." -Tony Soprano