

## **Still have just group insurance?**

As a Knights of Columbus field agent, I hear about group life insurance every week. If you have it, it's certainly not a bad thing, but it can be a misleading security blanket. Most times, the amount offered is far from what you need, and the only way to determine what you need is with a comprehensive needs analysis. Your group coverage is not based on any analysis. Instead, they apply a formula: you make X amount in salary and the group life is either a flat amount (\$15,000 seems popular) or a multiple of your salary (somewhere between 1.5 and 2.5 is common). Either way, it has nothing to do with the number of children you have, the mortgage balance you carry, or the amount of money your wife would need if you die. It's a completely random number.

It can also disappear at any time. All of us know people – friends, family members, neighbors – who have lost their jobs. When the job is lost, so is the group life insurance coverage. If the company experiences difficulty and budgets need to be cut, group life can be reduced or eliminated. And that decision could be made at the worst possible time for you.

Most group life insurance coverage reduces or disappears when you retire. Many times it can be converted, but at a very expensive premium (remember, you're no kid anymore when you retire, and premiums do rise as you get older). Just because you turn 65 doesn't mean you no longer need life insurance or need less coverage. Actually, the opposite is true.

Do you still own just group life insurance? It must be supplemented with a personally owned portfolio. I can tell you exactly how to blend your group benefit with your K of C life insurance so things can be in your control. Don't let the feeling of security that group life provides distract you from the real issue: taking control of your family's financial future!

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