Family Coverage Review

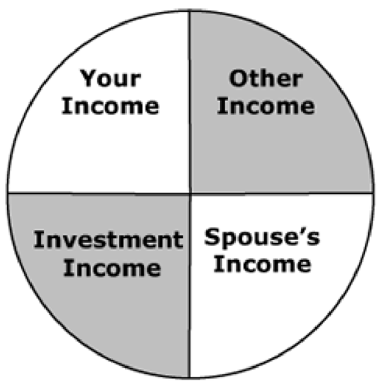
North Star Advisory Group LLC
An Independent Firm

Protecting Your Family Members with Life Insurance

If your spouse dies prematurely, what will the impact be on your family earning power and expenses? What steps have you taken to establish a savings program for your children?

Your earning power - your ability to earn an income - is your most valuable asset.

Earning Power:



Few people realize that a 30-year-old couple will earn 3.5 million dollars by age 65 if their total family income averages $100,000 for their entire careers, without any raises.

How Much Will You Earn in a Lifetime?

Years to Age 65	Your Future Earning Power If Your Family Income Averages:			
	$50,000	$100,000	$250,000	$500,000
40	$2,000,000	$4,000,000	$10,000,000	$20,000,000
35	1,750,000	3,500,000	8,750,000	17,500,000
30	1,500,000	3,000,000	7,500,000	15,000,000
25	1,250,000	2,500,000	6,250,000	12,500,000
20	1,000,000	2,000,000	5,000,000	10,000,000
15	750,000	1,500,000	3,750,000	7,500,000
10	500,000	1,000,000	2,500,000	5,000,000
5	250,000	500,000	1,250,000	2,500,000

If something happens to your spouse, what will the impact be on your family earning power? What new expenses will be created?

What steps have you taken to establish a savings program for your children?

What can you do?

You need to protect both yourself and your spouse for the future. If you or your spouse should die suddenly, your family income may be reduced dramatically. Even if your family income remains unchanged, certain expenses may increase significantly.

For example:

- The cost of raising a child from birth in 2008 to age 18 is projected to be $221,190 for a middle income family, and that doesn't include college costs. (Source: *Expenditures on Children by Families,* 2008; U.S. Department of Agriculture; released July 2009).
- Child-care costs vary widely based on quality, age of the child, type of operator and region. Prices ranged from $4,055 to $11,680 per year for a 4-year-old child and from $4,560 to $15,895 for an infant in 2008 (Source: *Parents and the High Price of Child Care: 2009 Update*, National Association of Child Care Resource and Referral Agencies).
- In 2009-2010, the average annual cost for a four-year public college is estimated at $15,213 and at $35,636 for a private college (Source: The College Board Trends in College Pricing 2009).
- If something were to happen to your spouse, you could be facing these costs alone -- for each child!

You need to protect all of your family members against the financial consequences of the unexpected.

- According to *Funerals: A Consumer Guide*, a traditional funeral, including a casket and vault, costs about $6,000, although "extras" like flowers, obituary notices, acknowledgment cards and limousines can add thousands of dollars to the bottom line.
- The above does NOT include the cost of a grave site, cemetery fees or a monument or marker, which can add $2,000 or more to the cost of a funeral. Many funerals run well over $10,000 (Source: Federal Trade Commission, June 2008).

Important facts about Social Security survivor benefits

Assuming your spouse is covered by Social Security at his/her death...

- The Social Security survivor benefit you receive is based on your spouse's earnings history at the time of his/her death and is limited to a maximum family benefit.
- The monthly family survivor benefit is payable only until your youngest child reaches age 16.
- Your youngest child then receives a monthly benefit until age 18 (age 19 if a full-time student).
- You receive NO BENEFIT until age 60. This is commonly referred to as the "blackout period."
- Beginning at age 60, you receive a lifetime benefit.

Things to consider when planning

In purchasing life insurance on your family members:

- You implement a disciplined program for retirement, education and other financial needs that may arise.
- You secure the insurability of your spouse and/or children.
- If cash value life insurance is purchased, you build cash value accumulations available for future financial needs.

If your spouse or a child dies prematurely, you will have funds for:

- Final expenses: hospital/medical, funeral costs, legal fees.
- Child care and housekeeping assistance.
- Replacement of lost income and continuing asset protection.
- Time away from work.
- Handling major expenses, such as college education.

The analysis...

- Identify cash needs and increased expenses that will arise at the death of your spouse or a child.
- Analyze income needs and sources at the death of your spouse.
- Determine additional capital required to satisfy these needs.
- Consider the benefits of establishing a life insurance program for your children.

To implement a life insurance plan...

- Select type and amount of life insurance coverage.
- Establish insurability.
- Arrange for payment of premiums.

You Can Manage Your Finances...

It's by managing your finances that you write the story of your life.
You are both the author and the story's principal character.
Resolve to perform what you ought.
- Benjamin Franklin

Contact us today to get started!
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