



Brought to you by Larry Havranek, FICF

KNIGHTS OF COLUMBUS Financial Beacon

Fall 2017

**Can you afford to be
without an income?**

**Understanding
accelerator term
insurance**

**Strong finances rest
on a strong foundation**

**Long-term care in your
retirement plan**



A MESSAGE from your agent

Dear Brother Knight:

As a member of the Knights of Columbus insurance field force, I serve members and their families with a complete portfolio of life insurance, retirement products, long-term care and disability income insurance.

One of the challenges I know many young members face is the purchase of life insurance coverage.

If you are inclined to purchase term life insurance, Knights of Columbus Accelerator Term insurance is something we should discuss.

These policies are designed to provide coverage for 10-, 15- or 20-year terms, and include an increase in face amount each year for the first five years.

In addition, during the first six policy years, coverage is fully convertible to a permanent life insurance policy, regardless of age. Any remaining scheduled face amount increases can be “accelerated” to be a part of the guaranteed conversion amount.

You can also add a Full Conversion rider, which offers an extended conversion window, beyond the first six years.

This may be a good fit for you, and I welcome the opportunity to explain it to you in detail.

Fraternally yours,

Larry Havranek

Can you afford to be without an income?

Just over 25 percent of today’s 20 year-olds will become disabled before they retire.¹ More than 50 percent of disabled Americans are in their working years, from age 18-64.² Nearly 60 percent of Americans have less than \$500 in savings.³

Facing these startling statistics can be daunting, especially if you see yourself among those with inadequate savings. But, you also can see you are not alone.

Illness, not injury, is the most common

When you think of “disability” you may first think of injury. But in fact, just over ten percent of disability claims are attributed to injury; and only five percent are job related injuries covered by worker’s compensation insurance.⁴

Illness is far more likely to interrupt your ability to earn an income than is an injury.

The cost of disability

The average length of disability is about 32 months (nearly three years).⁵ This average includes everything from a three week leave for surgery, to a permanent disability.

With a disability, you often face not only a loss of at least one income in your household, but may also face new medical expenses not covered by health insurance.

- ◆ almost half of foreclosures are a result of disability during working years.⁶
- ◆ the number one reason cited in bankruptcies is medical expenses.⁷

Think about your household income, and any benefits at your workplace(s). Do you have sick leave? Do you have any disability insurance through your employer(s), and do you know what it covers?

Could you get through a period of disability without disability income protection coverage?

What is disability income coverage?

Generally, disability income insurance policies provide a benefit that replaces a percentage of your income when you are disabled.



Most disability income policies also include the following:

Elimination Period. The elimination period is the number of days a total disability must exist before benefits begin to accrue.

Maximum Benefit Period: The maximum benefit period is the longest period for which benefits are payable for any one period of a disability.

Knights of Columbus Income Armor

Knights of Columbus Income Armor insurance is designed to provide income replacement coverage for disability. Beyond that, it also provides:

Waiver of premium. The waiver of premium benefit allows for reimbursement of premiums paid while you are disabled at least 90 days, and the waiver of premiums due during the benefit period thereafter.

Rehabilitation or retraining. If mutually agreed, your coverage will also allow for up to six times your monthly benefit to pay for vocational rehabilitation or retraining to assist you in getting back to work.

In additions to choosing the elimination period and maximum benefit period, you may choose any of several riders, including cost of living adjustment and a guaranteed purchase option to increase your coverage.

I can help you fully understand your choices.

You may be one of many who face a short- or long-term disability during your working years. Protect your family with Income Armor; call me today. ◆

¹ U.S. Social Security Administration, Fact Sheet February 7, 2013

² U.S. Census Bureau, American Community Survey, 2011

³ money.cnn.com, January 12, 2017

⁴ Council for Disability Awareness, Long-Term Disability Claims Review, 2012

⁵ Gen Re, U.S. Individual DI Risk Management Survey 2011, based on claims closed in 2010

A strong financial plan rests on a strong foundation

Ironically, a foundation typically begins by digging a big hole. Life events such as signing a mortgage, or purchasing life insurance, may feel like this.

For most, achieving financial security is a building process, and when you are young it can seem like a big job. But, building on a strong foundation can make this an easier plan to follow.

Building your foundation of security

A strong financial foundation includes needed financial protection. While you are busy working and earning and saving, you benefit from *knowing* you have protection. And, should trouble come, you benefit again—you *are* protected. You and your family have what is needed to carry on and continue to grow.

Planning for unwanted surprises

That life will deliver some unwanted surprises is, well, no surprise. The trick is being ready for them, not knowing what they will be or when they will arrive.

In times of personal crisis, there is enough to deal with day-to-day to overwhelm even the strongest family. Adding financial stress to the situation is one thing you can avoid.

Insuring your life, your health, and your income gives you the security you need to weather the unpredictable events in life that could derail your plans for the future.

Building your wealth

With your foundation in place, you are ready to build the walls and roof—your wealth. The formula is so simple: spend less than you earn. Simple is not necessarily easy, though. Life has a way of complicating this simple formula.

But, just as the protection of insurance provides peace of mind about the unknown, a financial plan you can *actually* follow provides peace of mind as well.

Financial planning does not mean sacrifice, it simply means planning. The key is to have a plan that works for you, and own it. Then, instead of feeling like you are sacrificing, you feel *smart*.

And you are smart—you are building; building on a strong foundation.

Building for your retirement

Just as you need to plan for and protect yourself and your family against the financial stress of illness, injury, or even death during your working years, you also need to be prepared for a long and healthy life. And, you need to plan for the possibility of a *really long* life.

Here again, you go back to your strong foundation. With the right



elements in place, such as permanent life insurance, disability income insurance, long-term care insurance, and in many cases, annuities, you have the protection you need to be worry-free about the prospect of outliving your money.

Rest easy, on a strong foundation

No one can predict the future, of course, but anyone can plan for the future. The more you can do to put yourself on a strong financial foundation, the less the unknown needs to worry you, or impact your financial security down the road.


I am here to assist you in building your foundation of security with the quality insurance products available to you, my fellow Knight. ♦


This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal or accounting advice. You should consult with your own qualified tax, legal and accounting advisors before engaging in any transaction.


YOUR AGENT



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Family benefits & services

Knights of Columbus consistently ranks at the top of the industry in financial stability and ethics. Please call to discuss these services:

- Financial needs analysis
- Life insurance
- Tax deferred fixed-rate annuities
- Long-term care insurance
- Disability income insurance
- Retirement account rollovers
- Estate preservation
- Scholarships
- Family fraternal benefits

Schedule an appointment with me on-line at: <https://larryhavranek.acuityscheduling.com>



KNIGHTS OF COLUMBUS
Financial Beacon

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FROM HUMBLE BEGINNINGS TO FORTUNE 1000.

In 1882, protecting Catholic families was at the forefront of Father Michael J. McGivney's thinking when he founded the Knights of Columbus. Today, his vision carries us to a place on the *Fortune* 1000 list.



While the times have changed, our mission to keep Catholic families safe never will.

Schedule an appointment with me on-line at: <https://larryhavranek.acuityscheduling.com>

Long-term care needs to be part of any retirement plan

According to *Money*, you and your spouse may need as much as \$275,000 to cover medical expenses during your retirement, and that does not include long-term care.¹

The U.S. Department of Health and Social Services estimates as many as 70% of Americans will need some long-term care in their lifetime,² at an average cost of more than \$80,000 per year.³ The average nursing home stay is over two years.⁴

Chances are, you will need it

The statistics are fairly clear. Long-term care coverage is becoming less about protection *in case of* the need, and more about a plan *for* the need.

The spousal benefit available to you

In most states, Knights of Columbus long-term care insurance is available to your spouse as well as you, including a spousal discount if you both carry a policy.

The shared-care option creates a pool

If you and your spouse have identical long-term care insurance policies through Knights of Columbus insurance, you may utilize the benefits of your spouse's policy, should you exhaust the benefits from your policy.

The benefit of comprehensive coverage

When you think of long-term care, you may envision a nursing home. But, today there are many more options for seniors and the disabled, including at-home care and assisted living. The Knights of Columbus comprehensive long-term care plan covers additional things such as transportation and home-modifications, which may allow you to live at home instead of moving to a nursing facility.

Planning for life includes a plan for care

Our medical care continues to improve and lengthen our lives. But, it hasn't changed the fact that the blessing of old



age may require you to have some skilled help for a time.

Just as you provide for your family now, and protect them for the future, keep family in mind when you plan for your own care later in life. Without coverage, your care may fall largely to them.

If we have not yet met to create a long-term care plan for you, give me a call to set up a time. ♦

¹ money.cnn.com/2017/08/24/retirement/health-care-cost-retirement/index.html

² longtermcare.aci.gov

³ health.usnews.com/health-news/best-nursing-homes

⁴ longtermcarelink.net/eldercare/nursing_home.htm