

WOMEN & MONEY

How to buy life insurance

BY SUZE ORMAN
Special To Florida Weekly



Those who depend on your income — from young children to elderly parents — also depend on you to have a life insurance policy. Luckily, buying one has never been cheaper or easier. Here's what you need to know:

Stick with term insurance

With the exception of a few situations (supporting a special-needs child or sibling, for estate tax purposes), the only kind you need is term. As the name implies, you buy a policy for a set period — anything from a year to 20 or more. Should you die during that time, your beneficiary gets the death benefit on your policy. If your goal is to protect children, choose a term policy that will give you coverage until your youngest is 23 or so. By that time, kids can support themselves.

Shop around online

Check out term insurance rates on reputable Web sites such as selectquote.com and accuquote.com.

Buy a generous policy

Buy a policy with a death benefit that equals 20 times your loved ones' annual needs. I know that sounds like a lot, but if a child or parent requires \$50,000 a year for living expenses, that works out to a policy with a \$1 million death benefit. I suggest replacing 20 times their annual expenses so that your survivors can invest the money conservatively and live off the interest rather than eat into the principal. The amazing thing is that a 20-year, \$1 million policy for a 40-year-old woman in good health can cost just \$850 or so a year, or less than \$75 a month. Make sure your policy is guaranteed renewable: As long as you pay on time, it can't be canceled.

Never make a minor your beneficiary

No life insurance company will write a check to a juvenile. If you name your child as the beneficiary, he and his guardian will end up in court, where a judge

will become the overseer of the money. Avoid that by setting up a living revocable trust and making the trust, not a person, the beneficiary. Whomever you have appointed as the trustee will be able to use the funds to take care of your child according to the directives you've laid out.

When a relationship ends, the money decisions typically center on how to split up assets, but what gets overlooked is how to sever all financial connections formally. Take these steps on your own to disentangle your finances, or get written verification that your ex has made the necessary changes.

Credit cards: Any joint accounts should be paid in full and then closed. If you have an unpaid credit card balance and shut it down only to new charges, either party can reopen the card later, leaving the other person equally responsible for the new debt. Make it a priority to get the balance paid off so you can permanently shut down the account.

Loans: You need to establish who is responsible for any outstanding debts (typically, this is part of a divorce agreement). When that's been decided, the crucial final step is to make sure that the loan agreement and the title are switched to the person who assumes responsibility. For example, if your ex gets the house in the divorce, he is to refinance the mortgage in his name only and switch the title solely to his name. Failure to do so can ruin your credit score if your ex falls behind on payments.

Beneficiary designations: Update the person you have listed as your beneficiary on every investment, retirement and savings account as well as your insurance policies. No matter what your will or trust says, if your ex is still listed, he could inherit your assets. ■

— *Suze Orman is a best-selling author and Emmy award-winning TV host whose new book, "Women and Money," was published in March 2007. For details, please visit www.suzeorman.com.*

SECURITY

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some of Florida's major business associations. FDLE is also partnering with the Department of Business and Professional Regulation and the Department of State who between them incorporate, license or regulate hundreds of thousands of Florida businesses.

"The Florida Chamber represents more than 139,000 employers and we encourage all of them to engage in this system to make our business community safer and smarter," said Mark Wilson, president and CEO of the Florida Chamber of Commerce.

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