

Life Insurance - Go Fund Yourself

I'm sure if you think about it for a bit you can remember a situation in the recent past when a person you knew, maybe a friend or a friend of a friend you heard about in the media or on social media passed away to young. These situations are most always tragic, unexpected and heartbreaking. If you stay with me on that thought, do you often see or hear this tragic news followed by an appeal to some type of social fundraising page to help the family through this difficult time.

The power of communities come together around tragedies never ceases to amaze me. The social, spiritual and mental support that families receive from their neighborhoods, churches, synagogues, mosques, and other places of worship, their workplaces, their schools and so on and so on is awe inspiring. However, for financial support in these times of tragedy each of us has the power to, for lack of better way of putting it, support ourselves.

Jack and Rose Dawson are both 35, they met in their 20s on a cruise, fell in love and have been married for 10 years. They have 3 children, twin boys John and Jackson who are 8 and a daughter Daisy who is 4. Jack is an Attorney and currently is on track to become a Partner at his firm. He earns \$125,000 but that can increase to \$200,000 with his bonus if he bills enough hours. Rose is a Surgical Nurse and she earns \$77,000 annually, but she is stepping back from daily practice to a teaching position and the pursuit of a Masters Degree and hopefully a PhD program and a Professorship. They own a home in the Maryland Suburbs with a \$300,000 mortgage. Both have life insurance through their employer, 2XSalary.

One morning while on her daily run, Rose is struck and killed by a driver who was found to be texting and intoxicated. Jack is as you would expect devastated. After a period of time, media coverage and criminal and civil trial, Jack files a claim for Rose's life insurance, \$144,000. Jack over the course of the last year, lost his wife and the mother of his children, was taken off the partner track at his firm as he is now the primary care giver to three children. He also has had to deal with the spotlight of local and some national media attention around the loss of his wife.

He is now regrouping and pulling together his finances, the absolute last thing he was going to look at, and is finding that he has not only lost Rose, but he lost her income, health insurance from her employer and all the time she gave him to bill hours at the firm because of how many bases she covered at home. Jack now has less income from his job because of his family situation, is covering more daycare and is paying more both out of pocket and out of paycheck for his family's health insurance with his employer than they were with Rose's plan.

To offset these extra burdens Jack has \$144,000 in life insurance and structured settlement for the death of his wife from the insurance carrier of the driver who killed her for \$50,000 because he was carrying minimal liability coverage. The courts awarded much more in the civil trial; however, Jack is now waiting to determine the means by which the driver will pay the settlement after he is released from jail considering he had 2 DUI convictions prior to this incident.

This may be one of the saddest stories I've ever written, but the saddest part is that it is all plausible. This is the type of story that would immediately have a local community creating a Go Fund Me or something like that for Jack, and it would raise a couple hundred thousand dollars in a few days. However, Jack needs more than that, a lot more.

Basic term insurance would cost a couple like Jack and Rose around \$2000 per year for \$2M on him and \$1M on her. With that Jack has more than enough cushion to handle the crisis that has hit his family. The financial aspects are what we focus on with Life Insurance when the truth is that the financial aspects are just there for one reason, to allow the survivors to focus on the mental, emotional and spiritual aspects of their loss and for the community to step in and help there. Life insurance is the means by which you Go Fund Yourself.



