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## Could Insurance Rescue You in Retirement?

*Certain kinds of coverage may help to sustain you financially in an emergency.*

Provided by Chris Eller

**You plan for retirement with expectations in mind.** You hope to enjoy a certain quality of life, with sufficient income resulting from smart financial choices. Ideally, your future unfolds as planned.

**But what if the unexpected happens?** Will you have the right insurance in place to deal with it?

**Insurance matters more in retirement planning than you may think.** It is seldom “top of mind” in retirement planning conversations, but the right coverage could help you maintain some financial equilibrium in the face of sudden money pressures.

**A life insurance payout could provide income for a surviving spouse.** Thanks to late-night TV commercials marketing small funeral insurance policies, many retirees associate life insurance benefits with paying off burial costs. Benefits from larger policies can potentially accomplish much more.

Suppose a 75-year-old widow receives a \$500,000 death benefit from a policy purchased by her late spouse. An income stream could be arranged from that death benefit, with the widow receiving \$20,000 annually from that lump sum (or more) into her nineties. The payout could also be invested.

**Liability insurance could help you out in retirement.** As an example, say you are one of three drivers involved in a multi-car accident that leaves a teenager with a disability. You are the only driver cited for a traffic violation, and you happen to be in your seventies. You could now be a target for “predators and creditors.” Say you have some neighbors over for a barbecue, and one of them stumbles on your patio and breaks an arm or a hip; a lawsuit may be next. Few retirees think about or carry umbrella liability policies, but more may want to consider them.

**What if you or your spouse need long-term care?** Genworth’s 2016 Cost of Care Survey says that the median cost of a semi-private nursing home room was \$6,844 last year. How many years of such care would you be willing to pay for out of your savings? True, long-term care insurance has grown costlier. True, some people may never need it. Even so, three or four years of such care – for you, your spouse, or your elderly parents – might draw down your retirement savings more quickly than you would imagine. Think of how large those costs might be ten or twenty years from now. Long-term care coverage may end up being worth every penny.<sup>1</sup>

**Insuring yourself against the above possibilities is only prudent.** With such coverage in place, you may go a long way toward insuring the quality of your retirement as well.

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1 - [genworth.com/about-us/industry-expertise/cost-of-care.html](http://genworth.com/about-us/industry-expertise/cost-of-care.html) [6/22/16]

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