

# Facing Retirement - Part Two -- Review Insurance Coverages, Advises I.I.I.

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**NEW YORK, May 13, 2004** - Planning to retire soon? Insurance still plays an important role at this stage of your life - now is the time to review your insurance coverages to make sure you'll be adequately protected when you retire, advises the Insurance Information Institute (I.I.I.).

"By the time you retire, your accumulated wealth is probably at its height," says Alejandra Soto, of the I.I.I. "The challenge now is to manage your assets so that they last as long as you do," adds Soto.

## **Life Insurance**

At this stage, premiums will generally move higher as existing term insurance reaches the end of a set policy period and is up for renewal.

Cash value coverage tends to have a set premium that was locked in years earlier - in order to preserve the benefit for a surviving spouse, it is necessary to continue to pay the premium. Also, make sure that your beneficiaries are up to date.

## **Long-term Care**

Look into purchasing long-term care insurance - it is not part of Medicare and is purchased from private insurers. It is designed to pay for services needed by people who suffer from chronic long-lasting illnesses and need regular care, usually in a nursing home, but in some cases in-home care.

For those who have this coverage, at least two activities of daily living, such as bathing, eating, dressing, continence and mobility, and/or cognition must be lost in order for the coverage to take effect.

## **Home Insurance**

Don't cancel your insurance once you pay off your mortgage. It is still important to have protection in case of fire, burglary, and natural disasters.

Inquire about discounts you may now be eligible for - many insurance companies provide discounts for retirees because they spend more time at home and are more likely to properly maintain their property.

If you plan to work part-time at home, you may need supplemental liability coverage. Also, consider an umbrella policy to protect your accumulated assets - real estate, securities and savings could be wiped out by one lawsuit. An umbrella policy is generally inexpensive and provides an additional million dollars or more

of liability insurance.

### **Auto Insurance**

Discounts may also be available - mature drivers have fewer accidents and tend to drive safer cars - some insurance companies give discounts to drivers between the ages of 50-70.

Many states mandate discounts for seniors who have successfully completed driver refresher training. The AARP, for example, offers one such state-certified program. For more information, consult the AARP's Web site at [www.aarp.com](http://www.aarp.com).

Contact your agent or company representative to discuss your needs and options. The more you plan ahead the easier it will be to enjoy those retirement years. For more information, consumer may visit I.I.I. Web page at [www.iii.org](http://www.iii.org).

### **I.I.I.**

The Insurance Information Institute is a non-profit, communications organization sponsored by the property/casualty insurance business.

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