



*Brought to you by Robert Boni*

# KNIGHTS OF COLUMBUS Financial Beacon

Spring 2012

**Avoid two common  
mistakes about term  
life insurance**

**Letter from  
your agent:  
The fear factor**

**RISKY BUSINESS:  
Not the only reason  
for disability insurance**



## A MESSAGE from your agent

### **Dear Brother Knight:**

Fear is a central theme in many marketing campaigns for life insurance, long-term care insurance, and disability insurance. This makes sense, of course—these products exist to protect us financially from some life events that can be devastating without preparation. And, for good or bad, consumers do respond to fear.

As your Knights of Columbus agent, I want you to understand the risks you face, but I don't want fear to drive your decisions about how to manage these risks.

Education yields good decisions. First, you educate me about your work and family situation, your plans for the future, and your approach to managing money. In turn, I educate you about your fraternal benefits, and insurance and retirement plans available to you and your family.

Call me soon for a fear-free, cost-free consultation.

Fraternally yours,

**Robert Boni**

## How to prevent losing your life insurance at just the wrong time

When you buy term life insurance, your premium pays for the policy's "face value," or the dollar amount that will be paid if you die within the policy's term (typically 10, 15, or 20 years). If you live beyond that term, the policy either expires or becomes prohibitively expensive, leaving you and your family without any coverage.

If you want to buy another term policy at that point, you'll need to be in good enough health to qualify, and in most cases, you'll need to be age 65 or younger.

### **Two common retirement planning mistakes**

In choosing a term length, ask yourself, "When do I want this coverage to go away?" If the answer is, "After the kids are on their own and I've retired," consider two serious, but all-too-typical, scenarios:

#### **❶ Income gap for surviving spouse:**

If you or your spouse live many years beyond retirement—as more and more of us are—your retirement investments may or may not provide adequate income for the surviving spouse's final years.

#### **❷ Excess tax liability on your estate:**

Proceeds from life insurance generally pass directly to beneficiaries, without going through the probate process. If you're successful and fortunate enough to leave behind a generous financial legacy, the last thing you want is for taxes and fees to siphon a significant amount of it before it reaches your heirs or designated charities.

### **Convert to life insurance you can't outlive**

If your answer to, "When do I want this coverage to go away?" is "Never," term life insurance probably isn't the right product. While many companies offer term plans with limited or no guaranteed conversion privileges, most of our policies are guaranteed to be convertible into permanent ("whole") life insurance with no



### **Earn credit toward permanent life insurance premium by converting term policy**

If you purchased Knights of Columbus term life insurance within the last three or four years, you may be eligible to have one year of premiums paid credited toward a permanent life insurance policy. Lock in your rate now for insurance that builds cash value and doesn't expire for as long as you live.

medical review. Permanent insurance pays your beneficiaries when you die, no matter how long you live.

If possible, don't wait until retirement age to convert term to permanent insurance. The rate you pay for a permanent policy is based on your age on the date of conversion—so the earlier the better.

Another advantage: Permanent policies offered by the Knights of Columbus are eligible for dividends that further boost the cash value. Although dividends aren't guaranteed, historically they've generated significant value over long periods.

If you're not sure whether you have term or permanent insurance, or whether you're eligible to convert term coverage to permanent insurance, let me help you review your coverage and your goals for retirement. ♦

## Disability insurance isn't just for risky jobs

If you run your own business in an inherently dangerous occupation, such as farming, you're probably well aware of the risk of injury on the job. If your business involves spending most days sitting at a keyboard, you might believe your risk of losing significant income because of an injury is negligible. But when you're calculating whether you need disability insurance, don't weigh the likelihood of work-related accidents too heavily. The most important factor should be how much income your household will lose if you suddenly can't work.

After all, disability insurance is not the same as workers compensation coverage through an employer.

### Survey shows most disability claims aren't work related

Workers compensation covers work-related injuries and illness that prevent

you from doing your job. Disability insurance pays for loss of work income even from a non-work-related illness or injury. And according to the 2011 survey by the Council for Disability Awareness (CDA), more than 95% of the long-term disability claims reported by the surveyed disability insurers (representing more than 30 million workers) were not work related.

According to the survey, the leading causes of existing long-term disability claims in 2010 were:

**30.1%** Muscle, back, and joint disorders (including arthritis and herniated or degenerative discs).

**13.4%** Spine and nervous system-related disorders (including multiple sclerosis and epilepsy).

**12.7%** Cardiovascular and circulatory diseases (including hypertension and heart disease).

**8.4%** Cancer and tumors.

**7.8%** Accidents, injuries, and poisonings.

**7.7%** Mental illness and behavior disorders.

(No other claim category exceeded 3% of the total.)

Regardless of how physically challenging or relatively safe your business is, make the decision regarding disability insurance based on facts, not on fear or overconfidence. To learn more about what disability insurance covers and how you can tailor a plan to suit your business budget and family situation, please give me a call. ♦




**Up to age 80, you may still be eligible to buy permanent life insurance** > Permanent life insurance may still be an option for you and your spouse, even in retirement. The Knights of Columbus now offers a number of permanent products up to age 80, including our Single-Premium Whole Life (SPWL) policy. With a single payment, you'll have a guaranteed death benefit for your beneficiaries. This could be critical if your retirement savings are not likely to provide for a surviving spouse's needs. Contact me for details.

## YOUR GENERAL AGENT




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### Family benefits & services

Knights of Columbus insurance 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
- Retirement account rollovers
- Estate preservation
- Scholarships
- Family fraternal benefits

*Contact me today for information on long-term care insurance.*

## 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.

Contact me today for more information on Income Armor disability insurance!



## Boost your life insurance's payout and cash value with a 'paid-up additions' rider

As you get older, the premium rate you'll pay for life insurance increases. But when you buy a Knights of Columbus permanent life insurance policy, you may qualify to add a "paid-up insurance" rider that will allow you to purchase additional insurance—immediately or gradually—to increase your policy's death benefit and cash values.

The term "paid-up" means you're adding a guaranteed additional amount to the death benefit your beneficiaries receive. And because this additional death benefit is paid-up, it begins to build

cash value of its own, and is eligible to earn dividends.

You may contribute a lump sum right away to take advantage of your paid-up insurance rider. You may also purchase more paid-up insurance incrementally. The key is, you won't need a medical exam or other underwriting to qualify.

Paid-up insurance riders are only one method of creating an affordable, flexible, and safe life insurance program that will meet your family's financial needs. Please contact me soon, and let's talk about your options. ♦