

# INSURED AT EVERY STAGE GETTING MARRIED



Bay CPA <sup>+</sup> PLUS

Marriage changes everything, including insurance needs. Even if you and your spouse lived together and shared expenses while dating, you may have new responsibilities — and opportunities — for your insurance policies.

With the following six topics, we'll help you better understand the insurance landscape after marriage. Use this information as you analyze both your joint and individual policies to determine if any changes are in order. Then, consider whether you need additional insurance in this new life stage.

# AUTO 01

Auto insurers often offer discounts for married people and multi-car policies. <sup>1</sup>


As a newlywed, you and your spouse should review your existing coverage to determine how you can find the best price. Contact your current providers to obtain quotes on a new combined policy, as you can typically save money this way. But don't limit your search to just the companies you're working with now. Get quotes from several insurers to make sure you're receiving the coverage you need — at a price that includes every discount you're now eligible for.

## UNDERSTAND THE MARRIAGE DISCOUNT

The amount you might save drops as you age.

- A 20-something newlywed could save more than 20% on their premiums.
- A 30-something newlywed might save only 2% on their policy. <sup>2</sup>





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# HOME 02

Homeowners insurance is often one of the single biggest financial decisions a couple makes. When you purchase your first home, the lender will require that you have homeowners or condo insurance. While these policies are different, they share the same purpose: to protect your home, your personal property, and your assets against any personal liability.

When shopping for home insurance, take care to determine:

- **Coverage:** It’s important to make sure that your coverage matches the value of your home. With homeowners insurance, a co-insurance applies if you fail to maintain coverage equal to at least 80% of the value of your home. In this case, most claims will only pay 80% of the value of the claim. <sup>3</sup>
- **Limits:** How much will the policy pay for covered losses?
- **Reimbursement type:** Does the policy insure for replacement costs or actual cash value?
- **Liability:** Do you need to add additional coverage to protect against legal risk?

# HEALTH

# 03

In most cases, you can only adjust your health insurance during open enrollment periods or after a qualifying life event. Thankfully, marriage counts as the latter option if you review your plan within 60 days. <sup>4</sup>

No matter if you and your new spouse are on the same or different plans, you should take advantage of this qualifying event and evaluate your health insurance coverage.

Determining whether to stay on your own plans, combine into one plan, or adjust your current coverage can be complex. When reviewing plans, look at details, including:

- **Deductibles**
- **Network of health care providers**
- **Out-of-cost maximums**
- **Cost of premiums**







# DISABILITY 04

Married couples typically combine their financial resources, and if both you and your spouse work, your lifestyle may depend on two incomes. As a result, losing one income, even for a short period of time, may make paying all your bills more challenging. Disability insurance is designed to help replace lost income, so you can continue to support your living expenses.

Many companies provide their employees with access to both short-term and extended care-term disability insurance, but it's up to you to determine if this coverage is sufficient. Whether you're analyzing work-provided coverage or private market insurance, look at factors, including:

- What determines if you have a qualifying disability?
- How long would you need to wait before collecting insurance?
- What's the full payout amount you'd receive?

Then, compare these details to your cost of living and financial obligations to decide which plan may help you in case of a disability.

# LIFE 05

Almost half of Americans have no form of life insurance. If you or your spouse were to pass away, a lifestyle based on two incomes may mean that the survivor couldn't manage existing debt and cash flow obligations. While no one likes to think about themselves or their spouse dying, purchasing life insurance may help prevent financial turmoil if tragedy strikes.<sup>5</sup>

Several factors will affect the cost and availability of life insurance, including age, health, and the type and amount of insurance purchased. Life insurance policies have expenses, including mortality and other charges. If a policy is surrendered prematurely, the policyholder also may pay surrender charges and have income tax implications. You should consider determining whether you are insurable before implementing a strategy involving life insurance. Any guarantees associated with a policy are dependent on the ability of the issuing insurance company to continue making claim payments.





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# EXTENDED CARE

Extended care insurance may be a low priority given other financial demands, like saving for retirement. However, now that you're married, you will likely pay far less for coverage than before. **In fact, married couples can save as much as 40% on their extended care insurance costs compared to single people.** These savings are largely because spouses often care for each other at home, reducing the need for extended care. If you have room in your budget, you may want to consider purchasing a policy now. <sup>6</sup>

## The Takeaway

When you get married, looking out for each other's wellbeing becomes a priority. And central to any extended relationship is a concern about your partner's future.

By addressing your individual — and shared — insurance needs now, you can work together to prepare for whatever life may bring your way. Plus, you might even find that coverage costs less now that you're married!

## FOOTNOTES AND DISCLOSURES:

This material is for information purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security or insurance policy.

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## SOURCES:

- <sup>1</sup> TheBalance.com, July 11, 2021
- <sup>2</sup> ValuePenguin.com, June 28, 2021
- <sup>3</sup> Investopedia.com, June 17, 2021
- <sup>4</sup> Healthcare.gov, 2021
- <sup>5</sup> LIMRA.com, April 12, 2021
- <sup>6</sup> ValuePenguin.com, June 28, 2021

