



Brought to you by Charles L. McCann, Jr., FICF, PGK

KNIGHTS OF COLUMBUS

# Financial Beacon

Winter 2015

**LIFE INSURANCE**  
CEMENTS YOUR  
FINANCIAL FOUNDATION

**Avoid two common  
DISABILITY INSURANCE  
mistakes**

**Safeguard your  
DEBIT CARD**

Protect yourself from theft



## A MESSAGE from your agent

### Dear Brother Knight:

Most adults know they should probably have life insurance if they have families relying on their income. If that just about sums up *everything* you know about life insurance, believe me, you're not alone—but now's as good a time as any to broaden your knowledge.

You can learn a few basics from the article to the right about life insurance's role in constructing a foundation for your family's financial future.

Beyond this basic purpose, life insurance products can serve a variety of needs: boosting the long-term value of charitable gifts, protecting assets from probate taxes, and much more. From time to time, however, it's important to review the basics. As your professional life insurance agent and fellow Knight, I'm here to help you move up on the learning curve and make good decisions.

If you and I haven't gotten together for your free annual insurance check-up, please get in touch with me soon.

Fraternally yours,

**Charles McCann**

# Life insurance cements your financial foundation

You probably already know the core purpose of life insurance: to take care of your family if you should die while they're still relying on your income. But what exactly does "take care of" mean to you?

Does it mean they'll be able to cover basic necessities? Or is your goal also to give them the means to preserve their lifestyles and pursue their dreams?

Life insurance can cover the basics and beyond if you choose the right product or mix of products now. Think of it as building a foundation for your family's financial future. Permanent ("whole") life insurance provides two key guarantees:

- ✓ The premium you pay will build cash value through the years and is guaranteed to grow regardless of financial market swings.
- ✓ The face value (also called the death benefit) will be paid to your beneficiaries when you die no matter how long you live, unless your family no longer needs the protection and you decide to use the policy's cash value or earnings otherwise.

Term life insurance is well suited to cover "temporary" needs, or those needs that are for shorter durations of time. Term life insurance doesn't build cash value and pays a death benefit only if you die within a set period, such as 10, 20, or 30 years.

If you can't budget enough money to afford a high enough face value in a permanent policy, you may decide to mix permanent and term coverages for now, then convert the term to permanent as you're able. *(Knights of Columbus term life insurance products offer guarantee periods with the right to convert to permanent insurance without a medical exam.)*

To decide how much of a death benefit you need, start by breaking down your family's specific monthly expenses, such as:



- **Bills, such as the mortgage, utilities, food, clothing, gas, and other household expenses.**
- **Contributions to savings, retirement and/or investment accounts.** Your surviving spouse should be able to continue these—or start them if you haven't yet.
- **Foreseeable increasing debt.** Build in enough to accommodate anticipated increases in monthly payments for your mortgage, car loans, and other installment debt.
- **Your children's education.**
- **Final expenses.** Funeral, attorney fees, taxes, etc.

Your family's list may look slightly different. In any case, the total of these expenses gives you a monthly target amount. If possible, your total life insurance death benefit should be able to reasonably generate this monthly target amount for as long as it would likely be needed.

There are other strategies, of course, and other products that can help you establish your family's financial foundation.

I'm here to help you run the numbers and understand the many options you have as a fellow Knight. ♦

# Safeguard your debit card: A thief's pipeline to your bank account

Using a debit card instead of a credit card should be the more financially responsible choice because you're not building up debt or interest charges. Your debit card can, however, create a direct pipeline from your bank account to hackers and identity thieves.

While credit cards generally reimburse you for fraudulent purchases, you may have trouble recovering funds transferred from your bank account by fraudulent use of your debit card data.

Unfortunately, protecting your debit card data often means trading

convenience for safety. But without too much trouble, you can make your debit card more secure. For example:

- Don't use your debit card for online purchases. For recurring expenses (such as a streaming movie service, a gym, magazine subscriptions), consider using a pre-paid card that you load on a set day each month.
- Create a separate bank account for debit card purchases. It should be with the same financial institution as your main account, so you can transfer money easily between the accounts. If you keep a debit card tied to your main account, use it only for ATM withdrawals.

- Make ATM withdrawals at a branch of your bank whenever you can. Financial institutions are more likely to regularly check their branches' ATMs for skimming devices that thieves attach to card readers to capture data from a card's magnetic stripe. Also, most branch ATMs have security cameras.

- Review your debit card activity regularly and report

any irregularities to the institution that issued the card immediately. Federal law limits your liability for fraudulent debit card transfers to \$50 if you report suspicious charges to the financial institution within two days. Your bank may have its own policy about reimbursing bogus charges. Even if you do get your money back, however, it may take a long time and require a great deal of juggling to prevent overdrafts, denied charges and fees.

## Avoid racking up debt and interest

In switching from a debit to a credit card, protect yourself from adding the financial burden of revolving credit debt. For these purchases, use a card you will pay off every month.

More secure debit cards are slowly coming to North America: the "chip-and-pin" cards used in many other parts of the world already. You may already have one, but it's going to take years to replace all the card readers with terminals that make these cards more secure for point-of-purchase (not online) transactions.

Meanwhile, it's up to you to 'shut down the pipeline' from your debit card to your bank account. ♦



## YOUR AGENT



### Charles L. McCann, Jr., FICF, PGK

📍 546 Hurffville-Cross Keys Road  
Sewell NJ 08080-2830

☎️ **PHONE:** (856) 373-3980

✉️ **EMAIL:** charles.mccann@kofc.org

### 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
- Disability Insurance

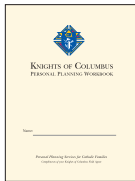
Contact me today for information on long-term care insurance



## KNIGHTS OF COLUMBUS Financial Beacon

Knights of Columbus Supreme Office

**Charles L. McCann, Jr., FICF, PGK**  
546 Hurffville-Cross Keys Rd  
Sewell, NJ 08080-2830



### The document your family will be glad you left behind

In one place, you can assemble all the information your family would need to take care of basic financial matters in your absence. Your complimentary Knights of

Columbus Personal Planning Workbook helps you compile details about key contacts (attorneys, insurance agents, etc.), financial accounts, bills, passwords, the location of important documents, and more.



Contact me today for your complimentary Workbook.

Contact me today for information on long-term care insurance

## Avoid two common disability insurance mistakes

Here's how to avoid two common mistakes people make when deciding whether they need a private disability insurance policy:

### **MISTAKE #1: I ALREADY HAVE DISABILITY INSURANCE**

If you think you have disability insurance through work, find out exactly what the coverage is. If it's short-term (usually up to six months), long-term or both, confirm how much of your pay it replaces. An employer's plan may replace just a small portion of your regular pay and have a monthly cap on benefits.

Don't mistake disability insurance for workers' compensation, which applies only to certain work-related illnesses and injuries. Annual surveys of disability insurance providers by the Council for Disability Awareness (CDA) showed that in each year from 2009 through 2013, less than 5 percent of disability claims

were work related.

Also, don't count on the Social Security Administration's (SSA) disability benefits alone.

Only one third of SSA disability insurance claims were approved in 2013. One reason is that you generally don't qualify unless you have an illness or injury likely to prevent you from earning income at any job for at least a year.

So, find out whether you actually do have disability coverage, and if so, how much.

### **MISTAKE #2: I DON'T NEED DISABILITY INSURANCE**

Of today's 20 year olds, more than one in four will become disabled before they reach 67, according to the SSA. A low-risk job or lifestyle doesn't mean you're not vulnerable. The CDA reports that injuries accounted for less than 8 percent of the long-term disability



claims in 2013. The main culprits of disability are conditions involving musculoskeletal/connective tissues, the nervous system, heart disease, and cancer.

In short, don't decide whether to buy disability insurance based on whether you believe you'll become disabled. Decide based on whether you and your family could avoid serious hardship without your paycheck for months or years. ♦

*Give me a call if you'd like help with this decision, and we can talk about the Knights of Columbus disability insurance options.*