



Know Your Insurance

**Marshall
& Sterling**
INSURANCE

Courtesy of
Marshall & Sterling, Inc.

Divorce and Your Insurance

Don't make the mistake of overlooking your insurance needs when going through a divorce. The lack of adequate insurance for yourself, your children and even your spouse can lead to financial ruin. We've gathered some important things to consider when going through this stressful time.

While going through a divorce, you need to reassess your finances. To start, you should take the following steps:

- Review all insurance policies in place during the marriage.
- Decide which policies you still need.
- Decide how health insurance for all family members will be provided for.
- Decide what additional coverage is needed.

HEALTH INSURANCE—Health insurance coverage should be covered in the final divorce decree. Who pays for what should be clearly stated so that there is no confusion. If you have children, it is imperative that an agreement is reached as to who will provide coverage. Usually whoever

had the coverage for the children prior to the divorce will continue that coverage. Who is responsible for unreimbursed medical expenses should also be addressed.

If you had medical coverage through your spouse's employer-sponsored health plan, you may be allowed to continue that coverage for up to 36 months under COBRA. If you do qualify, coverage is not automatic. You must contact the employer within 60 days of the divorce and complete the necessary paperwork. If you do not qualify, you will have to procure coverage for yourself.

The lack of adequate insurance for yourself, your children and even your spouse can lead to financial ruin.

LIFE INSURANCE—You should review your life insurance policies and make sure that they still meet your needs. You may also want to change beneficiaries at this time. Make sure that your ex-spouse carries coverage and that you are named as a beneficiary if you depend on their income for support. Check with your

Divorce and Your Insurance

attorney before making any All beneficiary changes. Now might also be a good time to increase your policy. Who carries life insurance, the amounts of the insurance, named beneficiaries and accrued cash values should all be provided for in your divorce decree.

DISABILITY INSURANCE—This pays a monthly benefit in the event that you become disabled and are unable to work. If alimony or child support is ordered, it's especially important if the payer has no other sources of income to continue to make those payments. Consider what your needs would be in the event that you became disabled. We can help you determine specifically what type of insurance and the amounts you need to best protect your interests.

HOMEOWNERS AND RENTERS INSURANCE—These policies protect your residence and its contents from damage or theft. If one spouse remains in the residence, they will want to make sure that they change the homeowners insurance policy to their name only and review their coverage. We recommend replacement cost coverage, which will reimburse you for what it would cost to replace an item. Also, opting for a higher deductible will help you save money on your premium.

AUTOMOBILE INSURANCE—Automobile insurance covers damage to your vehicle and damage that you may cause with your vehicle. Inform your insurance agent if you are

separating or divorcing. Separate policies may be required if you and your spouse are not living under the same roof. When you divorce, you will need to remove your spouse from your insurance policy. As a single person, you may now find options like towing, rental reimbursement and roadside assistance beneficial.

UMBRELLA INSURANCE and **LONG-TERM CARE INSURANCE** are additional coverages you may want to consider.

HELPFUL TIP—Avoid post-divorce credit problems by closing all joint accounts.

Contact us today to learn more about how we can help you secure your health, life, disability, home and automobile insurance needs.

**Know Your
Insurance**