

# Four Ways To Protect Your Financial Freedom

An Illness, A Wreck, A Misstep On A Ladder—Any Of Them Could Dramatically Upset The Life You've Worked So Hard To Build. Here's How To Shield Yourself.

(NAPSA)—To protect yourself and your dreams from catastrophe, there are four types of insurance you should consider.

MSN money expert, Liz Pullman Weston offers the following insurance options to protect you and your family.

**Health insurance:** Even if you're healthy, an accident or illness could wipe out everything. Catastrophic coverage policies make you pay for the first \$1,000 to \$5,000 in medical bills, but cover everything else up to \$500,000 to \$1 million. Instead of costing \$400 a month for two people in their 30s, catastrophic policies can cost as little as \$100 a month.

**Umbrella liability insurance:** This protects you if you're sued. Your homeowners and auto policies have liability insurance built into them, but the coverage may not be sufficient. The typical auto policy, for example, may have a liability as low as \$15,000. If you cause an accident that results in \$1 million of medical bills for someone, you could be sued for the difference.

Experts recommend liability insurance equal to at least twice your net worth. An "umbrella" policy extends over your existing coverage like an umbrella, kicking in after your auto or homeowner's coverage is exhausted. For \$150 to \$300 a year, you can get \$1 million of coverage.

**Disability insurance:** You may think your biggest asset is your house, but actually it's your ability to earn money. Chances are you don't have enough protection should you be unable to work for more than a few weeks.

Workers' compensation usually provides benefits only if you get hurt on the job. Disability coverage ends after a few months. Social Security may provide benefits but only if you can't hold a job. About 25



**Protect your assets with four kinds of coverage.**

percent of workers have long-term disability coverage through their jobs. You can buy a policy through a professional or trade organization or form your own group. Policies that cover you for the rest of your life are expensive; look for one that pays until you're 65.

**Long-term care insurance:** If you're under 50 or have more than \$1 million in assets, you probably don't need this coverage. If you're over 50 and have \$100,000 or more in assets, consider it. Long-term care insurance covers the costs of serious illness. If you can't feed, clothe or bathe yourself and need an aide, long-term care insurance pays the bill. Figure at least \$40,000 a year for nursing home care, more for home care. Most people need long-term care for two years or less. Get it in your 50s. You'll pay less for coverage when you're 40 but you'll pay for years before you need it. After age 65, premiums are several times higher.

For more information and tools that help access your insurance needs, visit the Insurance Center on CNBC on MSN Money (<http://money.msn.com>), or use the planning tools within Microsoft Money software to help you prioritize and reach your goals.