

Family Finances

Put A Financial Plan B On Paper

(NAPSA)—No one wants to think about losing a loved one, job loss, divorce or a serious illness—but it may be a good idea to plan for the possibility of these worst-case scenarios. With the current recession worries, continued unemployment and a volatile stock market, it makes sense to have a financial Plan B in place to protect yourself and your family.

Jeannine McCurrie, author and mother of two, knows first-hand the importance of preparing for the unexpected. In September of 2008, Jeannine's husband, Darin, passed away unexpectedly after being admitted into the hospital with bronchitis-like symptoms. Jeannine was left with two young children to raise on her own. Fortunately, Jeannine and Darin had an actionable Plan B to support their family's future.

According to a new State Farm survey, 81 percent of adults say having a financial back-up plan is very important, yet only 45 percent have a plan. Nearly 60 percent of those with a plan say it's not written down and exists only in their heads.

Despite uncertainty and a lack of preparedness, Americans can regain financial control. Joe Monk, senior vice president and chief administrative officer of State Farm, offers the following tips for creating a Plan B:

•**Start the conversation.**

Discussing hopes and fears can help identify financial Plan B priorities. Another State Farm survey found that 74 percent of couples rarely or never talk about life



A State Farm survey found that 74 percent of couples never talk about life insurance.

insurance—a figure that needs to change.

•**Determine your insurance needs.** Life insurance coverage through an employer may not be enough. Online life-needs calculators can help determine just how much coverage is needed. Additional guidelines include:

- For the primary breadwinner: A general rule of thumb is 10 to 15 times an annual income.

- For the stay-at-home parent: Responsibilities such as child care, cleaning and other household tasks could be valued at more than \$40,000 per year.

•**Get organized.** Put a Plan B on paper so it's documented, official and ready to be executed. Keep all documents in one, accessible location.

Death, job loss, divorce and illness are challenging topics, but a financial back-up plan can help reduce stress and anxiety. Taking the initiative and putting a Plan B in your back pocket can mean more peace of mind.

For more information, visit www.statefarm.com.