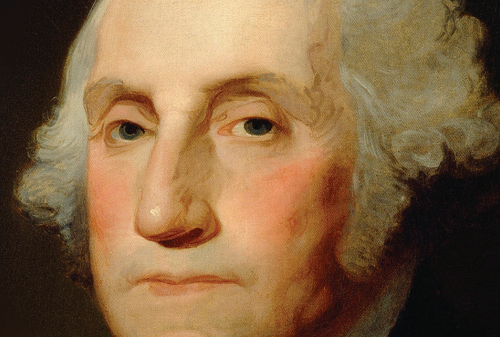




Financial Stuff

A publication of JFR FINANCIAL SERVICES, INC.

DEC 2020



INSIDE	TINY BUBBLES?	WHAT ABOUT ANNUITIES?	SOCIAL SECURITY "STRATEGY"	COVID-19 DEATHS BY COUNTY
	INFLATION IS DEAD...	TAX STUFF	BACK TO NORMAL?	2020 TAX PLANNING
	TOTAL SIZE OF G-10 BANKS	FAMILY FIGHTS!	TAX SIMPLIFICATION?	MULTI-TASKING IN RETIREMENT?
	WHAT IF MY CHILD HAS PROBLEMS?	WE'RE NUMBER 2!	OIL	NEED TO REPLACE A TRUSTEE?



CJ – Social Chairman

RECESSION DEFINED

THE DEFINITION OF A RECESSION is a drop in economic activity for 2 or more quarters. A depression is a slow down of at least 10% that lasts for 3 or more years. We've had four depressions in the history of America. The last one beginning in 1929. *We are in a recession now.* The mystery is what will happen next. The first four depressions were financial crises due to banking panics. The first 3 were centered around the agricultural cycle. The Great Depression was due to a slow down in manufacturing combined with political and banking mistakes. After WWII, recessions became more common as the Federal Reserve, established in 1913, was given powers to help smooth the economic cycle. Today we are in new water. We literally shut down 40% of the economy for 3 months. The majority of which can't handle 2 weeks of inactivity. It is estimated 85% of the restaurants will close. 55% of the businesses listed on Yelp as closed will never reopen. In Physics, solving problems are mathematical. In economics, a social science, the actual math can get a little murky. And today there are more variables than ever. John Mauldin refers to it as an 8 body problem. The service economy is still mostly in lock down. The bank interventions, all around the world, are unprecedented. It is working for the moment. The government interventions, also all over the world, are unprecedented. The National Debt, which doubled from 2008-2016, will come close to doubling again by the end of 2020! The combination of the banks and the government are disrupting the creative destruction aspect of capitalism. Global trade is way down. A global depression affects everyone. Business bankruptcies are increasing. The working class will be the last to see a recovery. Most of the lost jobs are the lowest paying and cannot be done at home. And if their kids aren't in school, they can't afford to pay a babysitter even if they do still have a job. The good news? Capitalism works. All the destruction cleans the floor for something new. It's what Americans do. Get out of the way and let them figure it out. We are entering a historic transformation. We have no idea how long it will take. Prior to COVID-19, the economy was doing very well for everyone. Now, one part of our economy is doing fine while the other is destroyed. Each of us individually will be making decisions to serve our best interest. As we do, the economy will be reshaped to fit the changes in supply and demand. For the moment, the "experts" have no idea how this will play out. There are thousands of changes happening in America and throughout the world. Income inequality and social unrest are not going anywhere today, but eventually they will be resolved. The Bible has the "year of jubilee" every 50 years where all debt is erased after seven cycles of seven years each. It will be interesting to see how the debt, in America and all around the world, will be erased. As my dad used to say about handling adversity, "You just have to keep walking. Even when it's just one step at a time."

(Source: John Mauldin, AIER)



TINY BUBBLES?

More like hurricanes. The only mystery is which ones will make it to shore and what category when they do. Today, we are in a bubble fueled by the Federal Reserve. For the moment, we have very smart people viewing the world as incomplete and distorted. It doesn't work over time. There are also very smart people who think they can take advantage of the distortions. This also doesn't work over time. Bubbles are not mathematically based. We try to quantify them, but they are based on speculation, greed and emotion. Bubbles can exist when the numbers make sense and when they don't. For now, the market is being carried by a few stocks and momentum. The bubble will continue until something happens to reverse it. We try to compare bubbles to similar ones from the past, but it is not mathematically possible. Today, people are accepting less return for more risk. At some point, we won't and the market will fall. For now the markets are climbing the escalator, but at some point they will take the elevator down. For now, low interest rates are the primary reason we are accepting more risk for less return. Every bubble has a trend and a misconception about the trend. The trend will be questioned, but for a time it will survive. At some point, people realize the trend is based on a misconception and it reverses. The uptrend is long and slow with a climax. The bust is short and steep because it forces out the speculators using debt. And investors assume they can get off the escalator before falling into the elevator down. The passive investor works with the assumption that time heals all wounds. And it usually does dependent on how much time. The active investor assumes that today's prices and market trends are more important than the fundamentals. The reality is both variables are dependent on each other. They simply take turns in the driver's seat. No conclusions can be quantified over which one is more important. Both strategies have variables that cannot be quantified; *aka uncertainty*. Today, the question is whether or not the economy will catch up with the markets. It's never happened before. Don't fight the Fed is working today. Will it work tomorrow? In 1929 Dr. Irving Fisher said, "Stocks have now reach a permanently high plateau." (Source: Advisor Perspectives, Financial Planning, Alan Greenspan, Wall Street Journal)

I contend that for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.

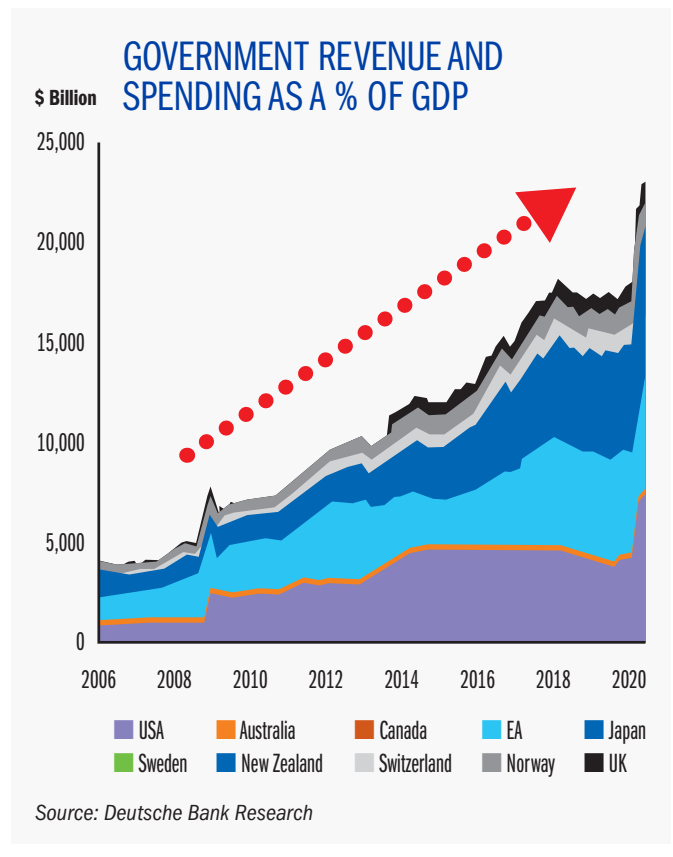
WINSTON CHURCHILL

INFLATION IS DEAD... LONG LIVE INFLATION!

The Federal Reserve and other central banks are printing/creating more money than ever. The total "stimulus" for 2020 in the United States could exceed \$12 trillion. That's a lot. Bill Bonner puts it in perspective. "If you made a dollar every second, it would take 32 years to reach \$1 billion. But it would take another 31,000 years to reach \$1 trillion." History teaches we have two ways to pay off the debt; default and/or inflation. There are barely enough "rich" people to pay just the interest on the debt. According to the IRS, there are ~14 million returns that constitute the top 10% of income reported, which totals ~\$5 trillion. The Federal taxes collected on these returns ~\$1 trillion. If the National Debt is ~\$30 trillion at the end of 2020, then the interest on same will be ~\$1 trillion. (Source: Bill Bonner, US Census, IRS)

INFLATION IS DEAD?

Since 1980 the average cost of a new car has increased from \$5,500 to \$32,000, which works out to an average annual increase of 4.5%. The cost of a loaf of bread has gone from \$0.48 to \$2.20, which averages 3.9%. A regular postage stamp has gone from \$0.15 to \$0.50 for a 3.1% average increase. College tuition has grown from \$19 per credit hour to \$423 for resident undergraduates, which averages 8.1% per year since 1980. (Source: US Bureau of Labor Statistics)



WHAT ABOUT ANNUITIES?

One immediate benefit of moving to Fidelity is more freedom to write what I want! All my attempts to truly educate everyone on annuities have been denied until now! Let's begin with the definition of insurance, *"the transfer of an unaffordable risk in exchange for an affordable periodic premium."* It is best to look at annuities for what they are; insurance. They are commonly sold as the best of both worlds, a guaranteed income and a competitive return. That rarely is the case. Whether you are looking at a traditional, fixed rate, longevity, variable, deferred, immediate, indexed, etc. all annuities are designed to *"ensure"* the insurance company is still in business 100 years from now. Government regulations require they be designed around the 10 Year US Treasury, which is currently less than 1.00%. What are the odds of you receiving a 5% return on your money when the insurance company is earning less than that? When should I purchase an annuity? It depends! There are many variables. The most important being when you're going to die. Unfortunately, we don't know. Thankfully, life expectancy is somewhat mathematical, but there will always be exceptions. And the insurance companies take that into account. As a result, your income will be competitive to investing the money yourself in guaranteed options. The downside is you lose control of the principal. Annuity payout rates are at historic lows today along with interest rates, but they normally correlate closely with AAA bond yields. Like CDs at the bank, on any given day an insurer may run a special to attract more money. Actuaries all over the country and world are crunching numbers daily. For an insurer to stay in business, they have to play by the rules. We're now close to 40 years of falling rates, with the likelihood of rising rates low. As life expectancies increase, this also lowers the payout. What the Social Security seminars recommend is to spend your own money and delay Social Security, since the income is increasing over time, when most annuities are not. The risk is the chance the rules for Social Security will be changed and/or the benefit amount decreases by 20-30% before you die. If the rules don't change, and you live to age 78, then you will break even on Social Security. After age 78 you begin to benefit from waiting. The longer you live, the more you benefit from waiting if the rules don't change. *What are you trying to say John?* Annuities are insurance and insurance is not free. There is nothing wrong with a *"guaranteed income,"* but remember most annuities have no cost of living adjustment. The longer you live, the less your check is worth. Over 20 years, assuming 3% inflation, the value of \$1.00 drops to \$0.54. In today's world, a traditional joint life annuity for a 65 year old couple will pay 5%, which is

excellent compared to 1% on a 12 month CD. The problem is you will be 85 years old before you get your investment back. How long do you have to live to average a 3% return on this *"investment?"* 30 years or age 95. If you are 80 years old, then your payout will be 8%, but you would need to live to 95 to average a 3% return on your money. The common compromise today is to put some money in an annuity to help offset the risk of outliving your money and invest the rest a little more aggressively to make the money back over time. For example, suppose you are 65, married, and have \$700,000 in your IRA. You would like \$2,000 per month guaranteed for the rest of your life. You could put \$500,000 in a joint life annuity to provide the \$2,000 and then invest the remaining \$200,000 in a balanced (60% stocks, 40% bonds) allocation. If the balanced allocation averages 7%, then it will take 18 years for the account to be worth \$700,000. At 85 you'll have a much better idea of how long you're going to live and can adjust accordingly. Or you can spend some of the account as you go along to supplement the guaranteed check. *Questions?* Call or email me. *We love this stuff!*

One of the methods used by statisticians to destroy capitalism consists in establishing controls that tie a given industry hand and foot, making it unable to solve its problems, then declaring that freedom has failed and stronger controls are necessary.

AYN RAND

FAMILY FIGHTS!

This is the norm today rather than the exception. If it's political or religious, then you can ignore the topic and/or each other! When it involves money, look out! What are the roots of these rifts? The WSJ refers to them as the *"long arm of the past."* We all have problems. Some we move on from, some seem to ride along with us. How about in-law problems? Inheritance? Unmet expectations? *"Mom said..."* Like a volcano, things percolate under the surface until something triggers the eruption. It's always good to try and reconcile, but more and more of us have situations that go unresolved. Reconciliation involves compromise and sacrifice, but it's usually worth it. A common compromise is letting go of the need for apology. Lower expectations. Do not expect everything will go back to normal, whatever normal happened to be. When it comes to money, it's mathematical. Put it on paper. The money may not solve problems, but it can prevent new ones.

WE'RE NUMBER 2!

The old *"Liars figure and figures lie"* comes to mind for these numbers, but the International Monetary Fund (IMF) is pretty reliable. Since 1980 the global economy has grown tremendously; *some countries more than others.*

RANK	1980	RANK	2000	RANK	2020
1	USA \$2.9 Trillion	1	USA \$10.3 Trillion	1	CHINA \$29.4 Trillion
2	Japan \$1.0 Trillion	2	China \$3.7 Trillion	2	USA \$23.3 Trillion
3	Germany \$867 Billion	3	Japan \$3.4 Trillion	3	India \$12.4 Trillion
4	Italy \$600 Billion	4	Germany \$.4 Trillion	4	Japan \$5.9 Trillion
5	Brazil \$580 Billion	5	India \$2.1 Trillion	5	Germany \$4.6 Trillion
6	France \$575 Billion	6	France \$1.7 Trillion	6	Russia \$4.5 Trillion
7	UK \$500 Billion	7	Russia \$1.6 Trillion	7	Indonesia \$4.0 Trillion

SOCIAL SECURITY "STRATEGY"

There are so many variables, *combined with the mystery of when the rules will be changed.*

1. **Married couples** should plan to maximize their check if one predeceases the other. This usually involves the high-earned waiting to file as long as possible.
2. **If you're divorced**, then look into what you qualify for on the ex-spouse. It may be more than you qualify for yourself. If you were married for 10+ years and divorced for 2+, then you may qualify for a bigger check as an ex-spouse.
3. **Wait or file early** will always be difficult. We don't know when we're going to die and we don't know when the rules will be changed.
4. **Filing early can reduce your benefit** by 30%. Assuming you live to at least age 78 and they don't change the rules, then you will collect more by waiting. Some clients split the difference; waiting until their full retirement age (FRA).
5. **Collecting while you're still working** full-time like will result in a penalty prior to age 67.
6. **What are my benefit options?** Many Americans don't realize they have multiple options. Do some research or call us.
7. **Plan for Social Security** as one part of your overall retirement plan.
8. **There is no benefit to waiting after age 70.**
9. **Getting remarried?** Review your Social Security options first.
10. **If you don't need it, then save it.** Assuming the rules will be changed at some point, then waiting until age 70 may not be the best option. Splitting the difference by filing at your FRA may be best. Especially if you can save the money received until age 70.

BACK TO NORMAL?

COVID-19 will likely result in permanent changes for every aspect of life; business, families, government, church, education, insurance, etc. Like the Great Depression, WWII, the Vietnam War, the psyches and lifestyles of us alive today are being impacted in big and small ways. Will we ever travel again? Go out to eat? Will we now have more appreciation for the simple things? Toilet paper, water, fresh produce, health, etc? Most Americans thought saving for a rainy day was old school. Not so much today, with the national savings rate close to 15%. The good news is Americans in all situations are stepping up, taking the fight to the enemy rather than doing nothing and/or expecting the government or someone else to fix things. No matter how this crisis passes, the fundamentals for financial success and independence will not change; ***Spend less than You Earn, Be/Become Debt Free and Divide Your Portions.***

TAX SIMPLIFICATION?

Thanks to the *"2017 Tax Cuts and Jobs Act"* the number of Americans itemizing their deductions has dropped from 30% in 2017 to 10% in 2018. In 2017 there were ~143 million individual tax returns filed. 98% of the returns reported incomes below \$340,000. 99% reported incomes below \$516,000.

OIL

Crude oil is produced in 32 states, but just 2 are responsible for 52% of the production. North Dakota and Texas.

COVID-19 DEATHS BY COUNTY

America has 3,142 counties. 50% have experienced 6 or fewer deaths as of Sept 23, 2020. 27% have had 1 or no deaths from COVID-19.

2020 TAX PLANNING

The tax laws are now 70,000+ pages. The mystery is how many are actually needed. The 1040 is “shorter,” but getting there now requires multiple schedules and attachment. The 2017 changes eliminated itemized deductions for millions of Americans. For most Americans, their taxes are very simple. **BUT!** Completing the return can still be complicated. What about converting to a Roth IRA? The most important point to remember is the government is getting their money today instead of tomorrow. The assumption is you will pay less tax today than you will down the road. That may be true and it may be not. There are variables that we can't control. There are assumptions that may be likely today, but the future doesn't always work out as anticipated. The basic question is will we pay more taxes tomorrow than today? The other question is what if the government changes the rules for Roth IRAs? To calculate the conversion cost for you, we need to see your 2019 tax return. Will you pay less taxes in retirement than you do working? Probably, but each situation is different. We address this possibility with clients constantly, so get in touch if you are wondering if it's a good idea for you. The good news is you will have a tax-free bucket of money no matter what happens to taxes. And if they do go up at some point, then it is possible you will come out ahead. RMD – Not required in 2020. You may want to make a withdrawal anyway, but no reason to if you don't need the money. Some are looking at using their RMD to purchase life insurance as a way to help beneficiaries pay for the IRA withdrawals that can no longer be stretched under the new SECURE ACT laws. It can also be a good way to support a charity when you are gone. Speaking of charity, what about Qualified Charitable Distributions (QCD)? QCD is the best way to make charitable gifts because they reduce taxable IRA balances for no cost. Primarily since few will continue to itemize their deductions going forward. The only catch is you must be 70 ½ or older to take advantage of the loophole. An exclusion is better than a tax deduction because it reduces your adjusted gross income, a key figure on the tax return. The new CARES Act allows you to deduct \$300 of charitable contributions without itemizing deductions. If you have a large donation to make, then 2020 may be the time since the 60% of AGI limitation has been waived. What about gifts to family members? \$15,000 per year per person. So if you are married and you have a married child, then you and your wife can give them as much as \$60,000 with no reporting. Not many Americans are subject to estate taxes, but for those of you who are, gifting each year is a simple way to reduce estate taxes. There is also no limit on money gifted for tuition and medical expenses. For business owners, turning over a portion to children may be attractive while the value of the business is down due to the pandemic. This may not be wise for highly appreciated assets, since the step up in basis at death may be better. What about my estate documents? The SECURE Act eliminated the stretch IRA for most non-spouse beneficiaries. This is effective beginning with deaths in 2020, so it is imperative for advisors to check IRA and company plan beneficiary forms for all their clients. This will reveal what may be the largest single asset in their estate plan. Most non-spouse beneficiaries will be subject to the new 10-year payout rule, meaning that the entire inherited IRA will have to be withdrawn by the end of the 10th year after the IRA holder dies. This includes most trusts named as IRA beneficiaries. Most conduit trusts will not work as originally planned since the entire inherited IRA will be left unprotected in trust after the 10 years. Many of these trusts will have to be upgraded to discretionary trusts to maintain the trust protection beyond the 10 years. But even then, the inherited IRA funds will still be taxed when that decade has passed, and at high trust tax rates for any funds remaining in the trust and not distributed to the trust beneficiaries. One solution here is to convert these IRAs to Roths to eliminate the post-death trust tax exposure or withdraw IRA funds now and purchase life insurance. Beneficiaries should be reviewed periodically and now is a good time given the new laws.

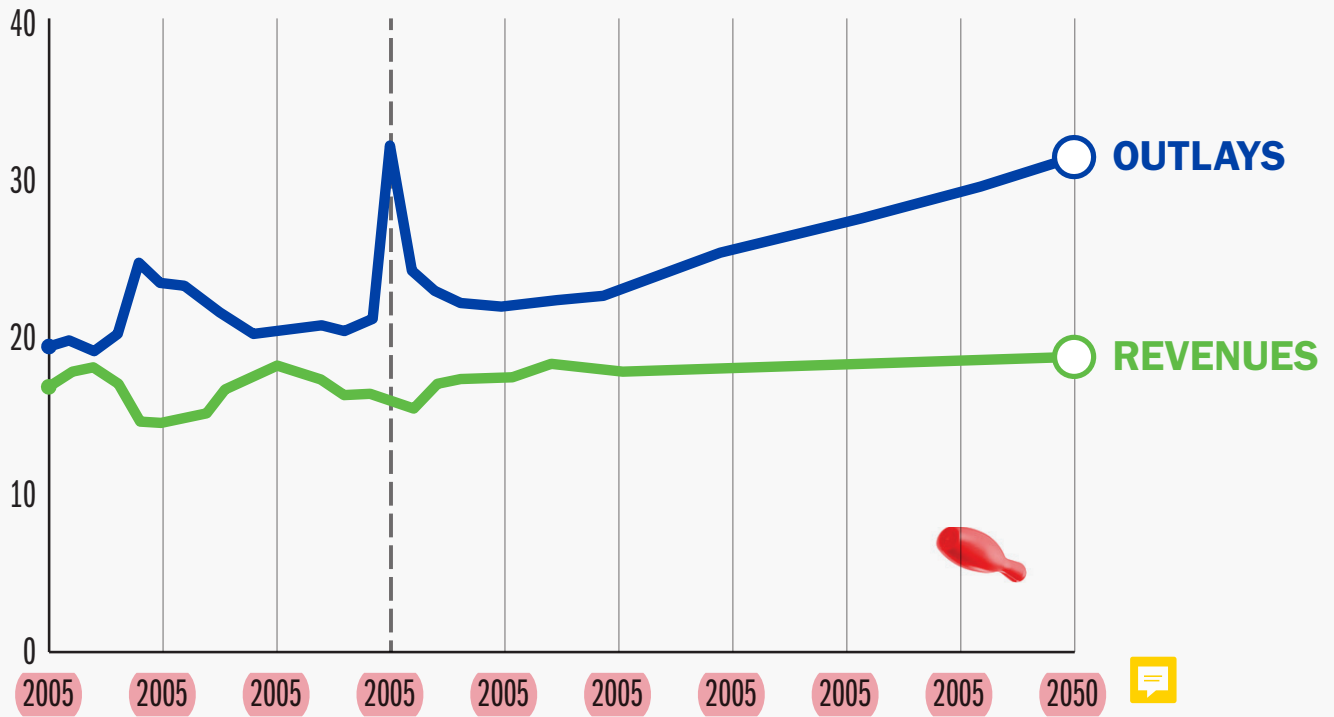
2017 INCOME TAX NUMBERS

Adjusted Gross Income \$11 trillion on 143 million returns. The top 1% of taxpayers received 21% of the income and paid 39% of the Federal taxes. The top 10% received 48% of the income and paid 70% of the taxes. The bottom 50% received 11% of the income and paid 3% of the taxes. The total personal income taxes paid was \$1.6 trillion dollars, of which \$1.1 trillion was paid by the top 10% and could run the Federal government for 3 months. (Source: IRS)

TAX STUFF!

Our “representatives” have plenty of things on the board for 2020 and 2021. For now, non-itemizers can deduct \$300 of charitable deductions in 2020. One would think joint filers could deduct \$600, but no. \$300 per return. There are proposals to increase the amount to \$600 per person. If you are 70+ and still working, then you can make deductible contributions to your IRA. The contributions do not offset or eliminate the RMD.

PERCENTAGE OF GROSS DOMESTIC PRODUCT



MULTI-TASKING IN RETIREMENT?

NO! Time management has been of interest to me since college. There are all kinds of resources out there, but time (pun intended) teaches that there is little new under the sun. Most Americans manage time better during their working years. Each day and week has more structure. Multi-tasking is harder on the brain than focusing. As we age, our brains need to be challenged, but not strained. Many confuse memory loss with multi-tasking. When we focus on one thing, the memory portion of our brain operates more productively. Time is more precious as it passes. When we become conscious of the finish line, each day and hour needs to be meaningful. We hear the term “**bucket list**” and it is fun to check off as many items as possible while time and health allow. We can’t run as fast as we age, but like athletics, **it’s** important to have a pace that matches your ability and situation. Many retirees have a tendency to waste their open calendar from day to day. “**There’s always tomorrow.**” **Maybe not!** Everyone should have a schedule. A routine that includes regular activities that we enjoy. The schedule should have down time in addition to sleep. When we rest we can better hear our minds and bodies. They’ll let us know what changes are needed. Delegate things you don’t like to do. Laundry? If you can’t delegate something, then try to combine it with something you do enjoy. Perhaps listen to an audio book? Concentrate your “**work**” in windows. Block it out from times where you do only things you love. Set boundaries. Our value is not only in what we accomplish in life, but also who we are. The Bible says to help others, but it is not our only purpose on earth. What makes you feel really good? Spend most of your time doing that! Say no. Be ready to disappoint others who think you should help whenever they ask, but no! Your health and wealth is based on providing for yourself as much or more than providing for others. Time and/or Money. You can give both. Find the right balance.



1913 WAS AN IMPORTANT YEAR

In 1913, the United States created the “*dollar*” and the Federal Reserve. \$1 bill equaled 1/20th of an ounce of gold. \$1.00 was a paper receipt for gold on deposit at Fort Knox. The Federal Reserve’s job is to protect the value of the dollar. 107 years ago the value of an ounce of gold was \$20. Today, one ounce is approaching \$2,000. 1/20th of an ounce is worth ~\$100 compared to \$1 in 1913. This is inflation. While the definition is taught in many confusing ways, there is only one paper trail to explain why \$1.00 in 1913 is \$100 today. The Federal Reserve has printed too much money.

IF WASHINGTON WAS A CRUISE SHIP

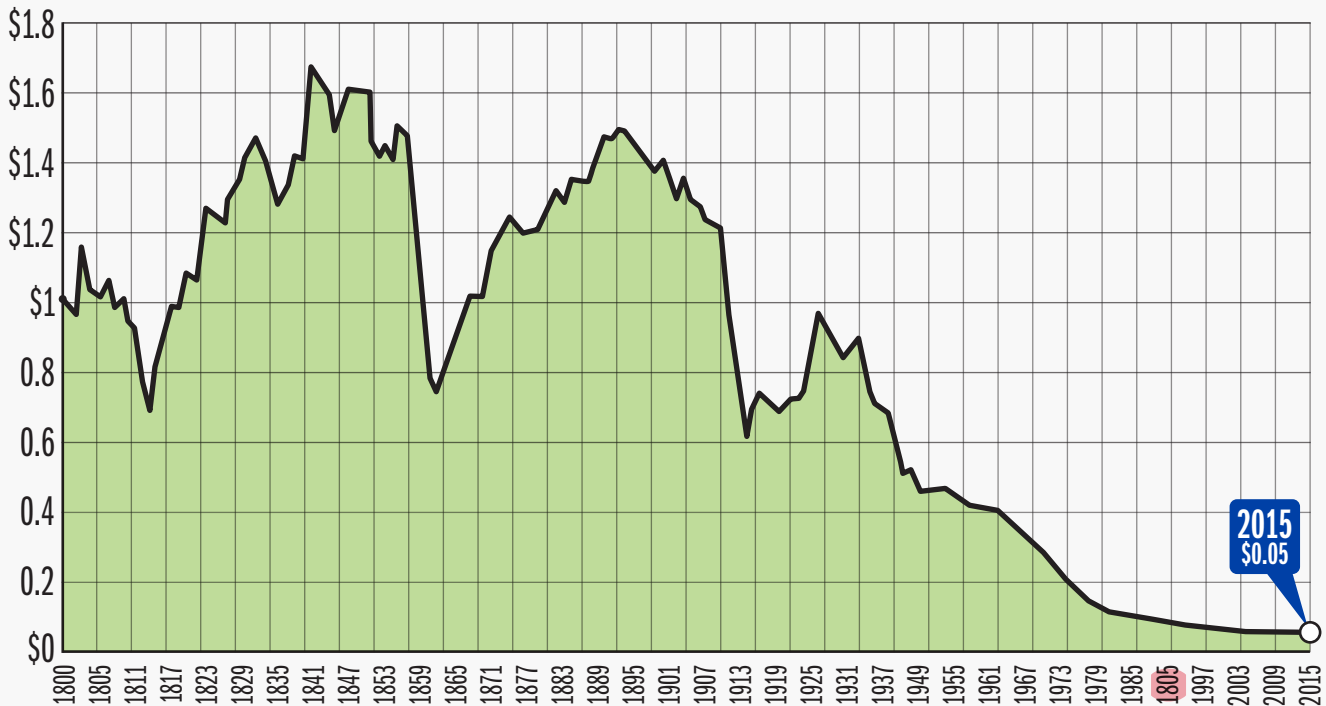
The President would be the captain and the officers 435 Congressmen, 100 Senators and 9 Supreme Court Justices. Each and every one trying to steer as much as and/or whenever possible. Our Founding Fathers intentionally set up multiple authority structures to prevent any one person, interest group and/or even the simple majority from taking control. I don’t think they envisioned ~16 million crew members, who do not always respond to commands. And what about ~320 million Americans sailing along side in inner tubes, canoes, speed boats, yachts, freighters... 100 years ago the cruise ship was much smaller and the number of vessels fewer. Despite all the clutter today, the tide continues to rise and fall. Human nature remains the same. In the financial world,

a popular term today is “*Black Swan*.” Events that are highly unlikely, but can happen. The “*experts*” are trying to incorporate the probabilities into investment strategy. How does one plan (COVID-19?) for catastrophes that will probably never happen? And what about the good events? Thomas Edison and electricity? Henry Ford the Model T? Bill Gates’ Microsoft? Stocks offer the best way to participate in the good events. Planning for Black Swans remains a moving target.

WHEN ONE SPOUSE RETIRES

The plan is normally to walk off into the sunset together, but many have a staged retirement. And it normally works well financially and emotionally. The ongoing paycheck provides stability and helps stretch the window. Both spouses have more time to adjust. Retirement is exciting, but also scary at first. And then the argument started! Sometimes the working spouse is disappointed or jealous of the retired spouse. *Why?* The retired spouse may become a little too comfortable doing nothing. The main problem is couples don’t talk enough about retirement, much less plan for it. For those who do, there are also disagreements on when, where, how much do we need, etc. As always, a critical factor is money. Especially as more Americans spend 30+ years in retirement compared to 10+ years not too long ago. (Source: Kiplingers, Financial Advisor)

BUYING POWER OF \$1 OVER TIME, 1800-2020





3133 Van Horn Road
 P.O. Box 130
 Trenton, Michigan 48183

DECEMBER 2020

HOW JFR FINANCIAL SERVICES CAN HELP YOU.

We are in business to serve you! More specifically, we are in business to help you work toward your lifelong financial goals. Services available through JFR Financial Services include:

Financial Planning and Consulting	Stocks*, Bonds*, Brokered CD's*, Money Markets*	College Funding Programs
Retirement Planning	Public Speaking and Educational Seminars	Management Training Classes and Consulting
Personal Coaching	Insurance: Life, Health, Disability, Long-Term Care	Fee-Only Investment Consulting and Asset Management
Business Planning and Development	Estate Planning	Employee Sponsored Retirement Savings Plans
Real Estate Investment Trusts	Asset Management	Retirement Plans: IRA, SEP, 401k, Keogh, 403b
Mutual Funds*	Annuities, Fixed and Variable*	Full-Service Brokerage Accounts*

We have the knowledge, tools and experience to help. Call us today at 800/315-2945 or 734/692-1421.

The information provided herein has been obtained from sources believed to be reliable, but JFR Financial Services, Inc. and its Registered Representatives of LPL Financial, member FINRA/SIPC make no representation as to its accuracy or completeness and it should not be relied upon as such. JFR Financial Services, Inc., and LPL Financial accept no liability for any direct or consequential loss arising from any use of this information or its contents. Information in this newsletter is not to be considered a recommendation or an offer to purchase any product.

■ Securities offered through LPL Financial, member FINRA/SIPC.

■ Investment advice offered through JFR Financial Services, Inc., a Registered Investment Advisor and separate entity from LPL Financial.

■ The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

■ All indices are unmanaged and may not be invested into directly. *All investing involves risk including loss of principal.

■ Bonds are subject to market and interest rate risk if sold prior to maturity. Bonds values will decline as interest rates rise and bonds are subject to availability and change in price.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results.

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

Variable Annuities are suitable for long-term investing, such as retirement investing. Withdrawals prior to age 59½ may be subject to tax penalties and surrender charges may apply. Variable annuities are subject to market risk and may lose value.

This material contains only general descriptions and is not a solicitation to sell any insurance product or security, nor is it intended as any financial or tax advice. For information about specific insurance needs or situations, contact your insurance agent. This article is intended to assist in educating you about insurance generally and not to provide personal service. They may not take into account your personal characteristics such as budget, assets, risk tolerance, family situation or activities which may affect the type of insurance that would be right for you. In addition, state insurance laws and insurance underwriting rules may affect available coverage and its costs. Guarantees are based on the claims paying ability of the issuing company. If you need more information or would like personal advice you should consult an insurance professional. You may also visit your state's insurance department for more information.