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#### **PUBLISHER**

MAX D. LEDERER. JR.

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SCOTT FOLEY

#### MULTIMEDIA ADVERTISING,

#### **CONSULTANTS**

FABRIZIO DANOVA, COREY HENDERSON, GERARD KELLY, JOHN SCOGLIO

#### PUBLISHING & MEDIA DESIGN,

**DIRECTOR** 

MARIE WOODS

#### VISUAL INFORMATION MANAGER

DOUGLAS GILLAM, JR.

#### **GRAPHIC ARTISTS**

ELLEN CHEUNG, AMY WEBB

#### CONTENT PRODUCER/DESIGNER

ADDISON TAKATS

#### **ADVERTISING OFFICE**

633 3rd St. NW Suite116 Washington, DC 20001

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Saving money on car insurance is the name of the game, and with some tips and tricks you'll be ready to play! Here's everything you need to know to maintain full coverage while cutting costs.



Courtesy of Military.com

any servicemembers are caught by surprise when they realize the actual cost of providing health care insurance for themselves and their families. Before you leave military service, you need to arrange for health insurance to protect you and your family. This section will help you learn about your options and plan for your health care insurance needs.

Most people leaving the military get civilian jobs that provide health care insurance. The result is continuous coverage.

Sometimes, however, there is a gap between the time your service-provided coverage ends and your new employer's coverage begins. During this time, you alone are responsible for paying all the medical bills that you and your family might acquire. This could be devastating. A one-day stay in the hospital could cost thousands of dollars!

Fortunately, several resources are available to ensure continuous, comprehensive, quality health care for you and your family. Your options will be explained to you during your appointment at your Transition Office. For specific health insurance questions, call the Health Benefits Advisor at your military medical treatment facility.

Two options to help fill the healthcare gap for separating servicemembers are the Transitional Assistance Management Program and the Continued Health Care Benefit Program.

## 7 Ways to Keep Military Health Care Affordable

Courtesy of Military.com

Revamping health care is constantly in the headlines as officials attempt to hammer out a way to make health care costs—one of the largest sources of debt and bankruptcy in the nation—more manageable for more Americans.

Free or reasonably priced health care coverage is one of the ways the American public decided to help compensate members of the military, their families, and military retirees for their service to the nation. Tricare offers a wide range of health plans for a variety of needs, and many of these plans allow for free medical care, or care at a very low cost compared to the prices paid by civilians.

Nonetheless, co-payments, medications, dental and vision care can add up. Try these suggestions to help keep the cost of medical care manageable:

#### 1. See the right doctors.

You want the best care possible, but also the best price. Whenever possible, by going to a military medical facility such as a hospital, clinic or sickbay, you'll receive high-quality care at the lowest cost to you. If no military facility is near you, check with your health insurance plan to determine the best civilian option.

#### 2. Choose the right plan.

Review all your options when choosing coverage under Tricare. Tricare offers several coverage levels that have different options to choose providers, etc., at different cost points. Carefully consider all your options, including what physicians you will want to see, how healthy you and your family are, and anticipated future medical needs, to determine the right level of care for you.

## 3. Keep up-to-date with checkups.

Don't skimp on care to save a few dollars, especially if you have a health condition that requires regular monitoring. Be sure children get all necessary vaccinations, and take preventive measures such as getting a flu vaccination every year.

#### 4. Ask for the best deal.

Talk to the manager of patient accounts about your situation. Your Tricare benefits might vary depending on your plan level and whether you or the physician's office files your claim. For example, if you use the point-of-service option (POS) to visit a non-network, non-participating physician, they can charge you up to 15 percent more than the agreed-upon Tricare rate. If you plan to see a physician regularly, then discuss any options that can make your care more cost-effective.

#### 5. Save with an FSA.

If your employer or your spouse's employer offers a flexible spending account (FSA), take advantage of it. An FSA allows employees to have money deducted, pretax, from their paychecks for medical care. Look at canceled checks, bills or credit card statements to determine how much you spent on medical care (out of your own pocket, outside of health plan benefits) last year. One rule of thumb is to request withholding of about 80 percent of that amount, to be safe. Be sure

you can spend the full amount you have deducted, because if you do not spend it, you lose it.

#### 6. Cut drug costs.

First, seek to receive your medications from a military treatment facility, where they are free. Otherwise, ask your doctor if a generic medication will work as well as a brand-name one for you. If it is equally effective, a generic drug costs two-thirds less when ordered through Tricare's mailorder pharmacy. If not, look into all options, including discount medications from warehouse club and discount/chain stores, to find the best deal on needed medicines.

#### 7. Deduct what you can.

Develop a method—whether a spreadsheet, a shoebox for receipts, or a list in a notebook—to keep track of what you spend on medical care. If you spend more than 7.5 percent of your income, you could be eligible to deduct those costs from your income taxes.

Medical care can be a challenging expense, especially when unexpected conditions arise. Fortunately, by planning as many cost savings as you can foresee, you can make a difference in the cost of care for you and your family.



# What You **Need to Know** About the **TSP's New Lifecycle Funds**

By J.J. Montanaro, USAA Certified Financial Planner, Courtesy of Military.com

The <u>Thrift Savings Plan's (TSP)</u> recent announcement that it would be offering five new Lifecycle Funds caught my attention. Even though the "L" funds have been available since 2005, not everyone understands them.

Beginning in July 2020, the so-called target date will be offered in five-year increments instead of 10. This type of investment may be useful for investors that are unwilling, unable or uninterested in spending a significant—notice I did not say "no"—amount of time managing their TSP portfolio. The appropriate Lifecycle fund is also the default—where your money goes if you make no election when you're newly enrolled in the TSP—option.

#### What is a Lifecycle Fund?

A target retirement date fund is a professionally managed mutual fund that allocates your investment among a variety of different types of assets: stocks, bonds, cash, etc. The portfolio is rebalanced periodically and becomes more conservative as the target date nears. Although this type of fund is designed to be a "one-stop-shop" by providing a low-maintenance diversified portfolio, it does not absolve you from planning for your goals and keeping an eye on your investments. The Lifecycle funds available within the Thrift Savings Plan (TSP) are a good example of this type of investment.

#### Why is a Lifecycle Fund a Good Thing?

Being a "glass half full" guy, let's first look at some of the potential benefits of target retirement funds like the L funds. They don't take a lot of effort. You invest in a single fund and get a variety of investments that are managed

for you. Since the portfolio of investments is picked, rebalanced, and designed to become more conservative as you approach the target date this type of fund offers the advantage of allowing you to build and maintain a diversified portfolio while staying firmly planted on your couch.

Gone are the tough decisions to buy or sell and the headache of rebalancing your investment mix. All you must do is keep your investments going, bump them up with each <u>pay raise</u> or promotion, and periodically review your fund to ensure it remains an appropriate investment vehicle in the context of your plan.

#### The TSP Has Very Low Expenses

Since we are talking about the TSP, you can rest assured that what you're paying is nominal. In 2019, the average net expense ratio for all of the L funds was around 42 cents per \$1,000 invested. That's a very low number and that's a good thing.

#### The Lifecycle Funds Offer no Guarantees

Target retirement funds do not offer a guarantee and are certainly not without risk. Although they are diversified across a variety of investment classes, they are not immune from market corrections or bear markets. Additionally, any fund is just an investment tool and not a cure-all. You still have to figure out how much you need to save to meet your goals, monitor your overall portfolio and progress towards those goals, and set aside money for your short-term needs. But if you're looking for a simple and convenient way to invest for retirement a target-date retirement fund may be the right choice. You can learn more at tsp.gov.



Courtesy of the Insurance Information Institute

#### Avoid these common mistakes and you're on your way to getting the best insurance for your needs and budget.

Avoid these pitfalls when buying auto, home, flood and renters insurance.

Saving money feels good. And shopping around when you're looking for insurance coverage is a great way to do it. However, simply reducing your coverage or dropping important coverages altogether is like diet without exercise—focused only on numbers, not on results. Don't risk ending up dangerously underinsured and on the hook for much bigger bills in the event of a disaster.

Following are the five most common auto, home, flood and renters insurance mistakes people make, along with suggestions to avert those pitfalls while still saving money (we call them, "better ways to save"):

## 1. Insuring a home for its real estate value rather than for the cost of rebuilding.

When real estate prices go down, some homeowners may think they can reduce the amount of insurance on their home. But insurance is designed to cover the cost of *rebuilding*, not the sales price of the home. You should make sure that you have enough coverage to completely rebuild your home and replace your belongings—no matter what the real estate market is doing.

A better way to save: Raise your deductible. An increase from \$500 to \$1,000 could save up to 25 percent on your premium payments.

#### 2. Selecting an insurance company by price alone.

It is important to choose a company with competitive prices. But be sure the insurer you choose is financially sound and provides good customer service.

<u>A better way to save</u>: Check the financial health of a company with independent rating agencies (some well-known ones: <u>A.M. Best</u>,

Moody's), and ask friends and family members about their experiences with insurers. Select an insurance company that will respond to your needs and handle claims fairly and efficiently.

#### 3. Dropping flood insurance.

Damage from flooding is *not* covered under standard homeowners and renters insurance policies. Coverage is available from the National Flood Insurance Program (NFIP), as well as from some private insurance companies. You may not be aware you're at risk for flooding, but keep in mind that 25 percent of all flood losses occur in low-risk areas. Furthermore, yearly weather patterns—spring runoff from melting winter snows, for example—can cause flooding.

A better way to save: Before purchasing a home, check with the NFIP to determine whether a property is situated in a flood zone; if so, you may want to consider a less risky area. If you are already living in a designated flood zone, look at mitigation efforts that can reduce your risk of flood damage and consider purchasing flood insurance. Additional information on flood insurance can be found at <a href="www.FloodSmart.gov">www.FloodSmart.gov</a>.

## 4. Only purchasing the legally required amount of liability for your car.

The minimum is just that—the least you can get away with by law. So buying only the minimum amount of liability means you are likely to pay more out-of-pocket later. And if you are sued, those costs can jeopardize your financial well-being.

A better way to save: Consider dropping collision and/or comprehensive coverage on older cars worth less than \$1,000. The insurance industry and consumer groups generally recommend a minimum of \$100,000 of bodily injury protection per person and \$300,000 per accident.

#### 5. Neglecting to buy renters insurance.

A renters insurance policy covers your possessions and additional living expenses if you have to move out due to an insured disaster, such as a fire or hurricane. Equally important, it provides liability protection in the event someone is injured in your home and decides to sue.

A better way to save: Look into multi-policy discounts. Buying several policies with the same insurer, such as renters, auto, and life will generally provide savings.



Courtesy of the Insurance Information Institute

Before you consider renting out your home, your guest room—or even your couch—first contact your insurance professional so you fully understand the financial risks and can take the proper precautions. Here's some general information to jumpstart your insurance conversation.

If you are considering renting out your home, your guest room or even your couch your first step should be to contact your insurance professional. Peer-to-peer home sharing opportunities such as Airbnb can be a great way to bring in extra money and are increasingly popular; however, they can also leave you financially vulnerable. If your renter starts a fire and damages your property or is hurt while renting your home, will you be protected?

#### Peer-to-peer home rental

Peer-to-peer home sharing opportunities such as Airbnb are increasingly popular and can be a great way to bring in extra money. However, they can also leave you financially vulnerable. If your renter starts a fire and damages your property or is hurt while renting your home, will you be protected?

<u>Standard homeowners</u> and <u>renters insurance</u> policies are designed for personal risks, not commercial risks. Some insurers now offer a home-sharing liability insurance policy that can be purchased on a

month-to-month basis, but there may be exclusions and limitations, so read the policy carefully. If you plan to rent out all or part of your home on a regular basis, many companies will consider this a business use and you may need to purchase a business policy—specifically either a hotel or a bed-and-breakfast policy.

#### If you are doing the renting

If you are the one using a peer-to-peer network to rent a space from someone else, check your own homeowners or renters insurance policy. In most cases, if your personal possessions are stolen or damaged off-premises, you can simply file a claim with your own insurer. And if you accidentally injure someone, you should also be financially protected.

#### Occasional home rental

There may be times when a major event in an area—the Super Bowl, say, or a graduation at a major university—depletes local hotel space. In these cases, it's fairly common for people to rent out their home or part of it for the extra cash it brings in.

Many insurance companies take this situation into account when creating a homeowners or renters policy and, with sufficient advance notice, will extend your coverage to the renter on a one-time basis. Other insurance companies may require the purchase of an endorsement to the policy to provide broader coverage for the renters in your home.

In both cases, be sure to let your insurance company know ahead of time, so you can be prepared.



Courtesy of the Insurance Information Institute

Whether you plan to install a luxury, inground Olympic model or you're just inflating one for the kids, backyard pools and hot tubs have safety and insurance implications. Here's what you need to know.

#### Pools are fun and potentially dangerous

You're installing a pool or "home spa" hot tub in for relaxation, recreation, and fun. And it'll be a great feature to have for backyard parties with family and friends.

- Pool fun An estimated 7.4 million swimming pools and five million hot tubs are in residential or public use in the United States, according to the Centers for Disease Control and Prevention (CDC). Why is the CDC involved in pool counts?
- Pool accidents From 2005-2014, there was an average of over 3,500 fatal, unintentional drownings in the United States each year. More than one out of five drowning victims is 14 years old or younger.

#### Know your local pool laws

Each town has its own definition of what constitutes a "home pool," often based on its size and the depth of the water. Contact your municipality to learn the local standards and relevant safety and building codes to which you must adhere. These may include installing a certain size fence, locks, decks and pool safety equipment.

#### Understand the insurance implications of a pool

A pool is considered an "attractive nuisance" by the insurance industry. As enjoyable as it is, it will increase your liability risk so it's advisable to contact your insurance professional and review your insurance if you've got a pool or are planning to install one.

Pool owners should consider increasing the liability portion of their homeowners policy to at least \$300,000 or \$500,000-more, if their assets warrant it.

You might also want to consider an umbrella liability policy, which provides additional liability protection over and above what you already have on your home.

Be sure to have enough insurance protection to replace your pool in the event it is destroyed by a storm or other disaster—including the amount of any pool-related items, such as deck furniture.

#### Plan for safe pool and hot tub use and for emergencies

Create a barrier. To eliminate unsupervised entrance to the swimming or spa area, install a fence with self-closing gates or other barriers on all sides of the pool. If the house forms part of the barrier to the pool, install alarms on doors leading to the pool area to prevent children from wandering into the pool or spa unsupervised. In addition to the fences or other barriers required by many towns, consider creating several "layers of protection" such as locks, alarms, locks and safety covers to secure the pool and pool area when not in use.

- Create and post a list of safety rules and strictly enforce them with guests.
- Post emergency numbers on the home phone nearest the pool, in the event of an accident. Keep a copy and a first aid kit, ring buoys and reaching poles near the pool.
- Know how to shut of filters and other devices and clearly post this information so others can do so in case of an emergency.
- Learn—and have your family members learn—basic water rescue skills, including first aid and CPR training.
- Get your children swimming lessons as early as possible. Having a backyard pool makes this a vital and important safety skill.

#### Take safety precautions in the pool

- Ask if pool users know how to swim. Learners should be accompanied by a good swimmer. Do not allow anyone to use the pool alone (and don)t do so yourself).
- Never leave children unsupervised—even for a few seconds. It only takes a second for tragedy to happen.
- Block children from pool filters and other mechanical devices, as the suction force may injure them or prevent them from surfacing.
- Don't leave toys or floats in the pool when not in usethey may prove to be a deadly temptation for toddlers who might then fall into the pool while trying to reach them.
- Pay attention to the weather. Excessive heat can cause dizziness, which can dangerous around a pool. And never swim during rain or lightning storms.
- If you have a diving board, post the depth and the rules nearby and keep the diving area clear. Never allow diving into an aboveground pool.
- Don't hesitate to curtail guests' activities around the pool if you have doubts about their sobriety, their alertness or their water skills.

#### Take safety precautions in the pool area

- Check regularly for potential hazards around the pool. Glass bottles and electronic devices can be dangerous near the pool or around wet areas. Toys near the pool can create slipping hazards or tempt children near the water.
- Use plastic drinkware around the pool to minimize the danger of broken glass underfoot, and to protect your pool liner from potential damage.
- Limit alcohol use around the water. The CDC reports that alcohol use is involved in up to half of adolescent and adult deaths associated with water recreation. Drinking negatively impacts balance, coordination and judgment—and its effects are further heightened by sun exposure and heat—including the heated water of a hot tub. Don't allow anyone who has been drinking alcohol excessively to go into the pool.

ADVERTORIAL

### Help protect your family with Term 90 Plus life insurance

Term 90 Plus life insurance offers rates that let you start getting protection more affordably.

The military trained you to be ready for anything. At Military Benefit Association (MBA), we think you should be just as ready when it comes to your family's financial protection. It all starts with life insurance —

one of the smartest and simplest ways to help protect your loved ones.

Life insurance that helps protect your family.

MBA Term 90 Plus life insurance offers solid protection — whether you want to add to your SGLI or are looking for an affordable alternative to VGLI.

#### MBA Term 90 Plus life insurance features:

- Rates start at just \$2.50/month for \$50,000 coverage\*
- Affordable alternative to VGLI
- Coverage up to \$1,000,000
- Coverage up to age 90
- · Coverage available to non-military spouses
- Eligible children may be covered up to \$12,500 at no additional cost<sup>1</sup>
- Plans can go with you when you enter civilian life
- No limitations on aviation-related deaths
- No war clause

#### Who is eligible?

Term 90 life insurance is available to Active Duty and Retired service members, Reservists, National Guard members, Veterans and all spouses of military personnel.

## -√-√-√- STABILITY -√-

#### Monthly rates per \$50,000 of life insurance coverage:

Age up to age	Non-Tobacco User Premium	Tobacco User Premium
29	\$2.50	\$5.00
30-34	\$2.90	\$5.80
35-39	\$3.10	\$6.20
40-44	\$4.00	\$8.00
45-49	\$5.00	\$10.00
50-54	\$8.50	\$17.00
55-59	\$15.50	\$31.00
60-64	\$23.79	\$47.58

Insured members qualify for non-tobacco discount if they have not used tobacco products during the past 12 months. Rates increase at 5-year age intervals until age 90. Coverage reduces at age 70 and again at age 80, and terminates at age 90.

#### The benefits of membership.

Joining MBA is free. We have resources to safeguard your economic welfare, including financial education on life events, video seminars, market analysis, financial calculators and more.

#### MBA membership comes with these added benefits:

- Will preparation services and power of attorney services, at no additional cost<sup>2</sup> (MetLife insured members)
- Estate resolution service, at no additional cost<sup>2</sup> (MetLife insured members)
- Savings on auto and home coverage<sup>3</sup>
- Generous scholarship program
- MetLaw<sup>2</sup> legal assistance program

## Give your family the financial readiness they deserve. Call 1-877-MBA-1020 or visit us at militarybenefit.org

- \* The \$2.50 rate is non-tobacco user rate for members up to age 29 for \$50,000 (1 unit) of coverage.
- 1 Members must elect at least \$100,000 of coverage
- 2 Offered by Hyatt Legal Plans, Inc., a MetLife company,

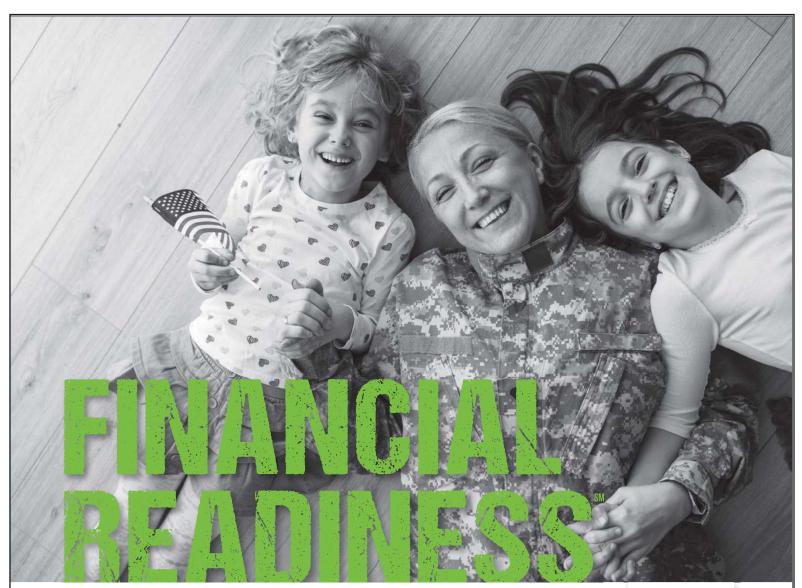
3 Coverage provided by Liberty Mutual Insurance. Not

Like most insurance policies, MetLife's policies contain exclusions, limitations, reductions of benefits and terms for keeping them in force. Coverage not available in all states. Offer for Term 90 Plus only; certain eligibility restrictions apply. For complete plan costs and details contact MBA.

Your application is subject to review and approval by MetLife based upon its underwriting rules. Rates may be changed on the entire group plan or on a class basis and on any premium due date on which benefits are changed. A class is a group of people defined in the group policy / policy exhibits. Benefits are subject to change upon agreement between Metropolitan Life Insurance Company and Military Benefit Association.

149107-1-G Policy Form Number issued by Metropolitan Life Insurance Company, New York, NY

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## for military families.

As a member of the military, you know what it means to be ready for anything. Shouldn't you make sure your family's finances are ready, too? It all starts with the right amount of life insurance.

Talk to Military Benefit Association today and find out about our new 10- and 20-year Level Term insurance. It's affordable with a fixed rate for the level term period. Call us now. And see how financial readiness can be easier than you think.

#### Call 1877-MBA-1020 promo code 4821 Visit militarybenefit.org/4821

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Life insurance underwritten by



LIFE INSURANCE

## **QUIZ YOURSELF ABOUT**

## Life Insurance

Courtesy of USAA



You've got to know the basics.

No, it's not one of the three R's or on the standardized tests we've all taken at one time or another. Still, life insurance should be a cornerstone of your protection package and a subject you should understand.

Here are six key questions on the topic, have you got the answers?

#### How much do I need?

Of course the answer depends on your vision of what you want to see happen if you're not here. Paying off debts, sending kids to college, providing income for your spouse and funding a special needs trust are all examples of why you might need life insurance. Sure, there are rules of thumb based on multiples of your income, but the easiest way to get a handle on the answer to this question is to use a life insurance calculator like the one on usaa.com or lifehappens.org.

#### What's the right type of insurance?

There are two basic types: permanent life insurance or term insurance. Permanent coverage is meant to be owned for the rest of your life. It's generally more expensive than term, but can be used to fund estate planning, special needs trusts or other long term goals. Permanent policies, like whole life or universal life provide a death benefit but also have a cash value or investment account. The majority of reasons for life insurance will change or go away over time. Debts will be paid off, kids will grow up and the retirement nest egg will mature. These temporary—yes, in this context even 30 years is temporary—requirements are covered most efficiently with term insurance. With term insurance things are pretty simple. You pay a premium and have coverage if you die, period.

#### How much does it cost?

You may be pleasantly surprised by how much term life insurance \$20 or \$30 per month will buy. The \$400,000 offered through the Servicemembers' Group Life Insurance (SGLI) program for less than \$30 per month is a good deal, but it's not unique. Outside of SGLI or other employer offerings, age and health play a huge role in cost and availability, but if you need more coverage you may be able to get it for a similarly low price.

#### What happens if I leave the military or my civilian job?

Take advantage of coverage offered through your employer, but understand your options when you leave. In most cases, it makes sense to have a portion of your coverage that's not tied to your workplace.

## Do we both have adequate coverage?

No matter who makes what, money is a team game and both spouses bring financial value to the family. Don't overlook the financial changes that would be necessary if something happens to the spouse that doesn't work outside the home. From childcare to the need to change careers the loss will have financial ramifications. Life insurance coverage shouldn't be limited to the breadwinner.

#### Do my kids need coverage?

While you can buy a policy for a child to preserve their insurability, in most cases the coverage you need for your kids can be gotten through riders on personal policies or through employee coverage. The \$10,000 of free coverage provided through Federal Servicemembers Group Life Insurance (FSGLI) is a great example.

Well, they weren't true-false questions and your responses may change as your life does, but knowing and acting on the answers to these questions will go a long way towards ensuring you're building your financial future on solid ground.



## WHY SGLI MAY NOT BE ENOUGH

Courtesy of Military.com

ilitary members and veterans have a unique set of needs when it comes to life insurance. While we have military benefits, such as Servicemembers' Group Life Insurance (SGLI) and Veteran's Group Life Insurance (VGLI), oftentimes supplemental private insurance can provide an added layer of security and peace of mind.

SGLI typically expires 120 days after separation from service. In addition, the maximum amount payable is \$400,000. If you have a home, two children and a wife, this simply might not be enough. That's where private insurance can fill in the difference. Your insurance provider will help you come up with the best supplemental package to meet your military family's needs.

#### **Calculating Your Life Insurance Needs**

Financial advisors suggest having seven to ten times your annual income. For example, if you're an E-7 with a salary of around \$58,000 you'll want to make sure you have between \$406,000 and \$580,000 of coverage.

In addition, there are several other things to consider when choosing the right life insurance. Here are some factors that can directly affect how much life insurance you will need to prevent financial woes for your family:

**Homeownership** - How much do you still owe on your mortgage? If you don't own a home, will your SGLI be enough to cover all your financial obligations as well as at least 12 months of rent for your family?

**Number of dependents** - Whether you have one child or several, your needs will change based on how many members of your family count on you for financial support.

**Spouse** - Do you have a spouse? Is he or she employed full-time, or do they work hard at home raising your family? Their financial situation will also be a factor when deciding what kind of policy you need.

**Current finances** - Car payments, credit card debt, existing installment loans, etc. should also be considered when deciding on the right life insurance policy.

**Location** - Living in Minneapolis, for example, is 62% less expensive than living in San Francisco. Factor in where your family lives and the cost of living in that area.

#### **Breakout:**

#### Factors That Can Affect Your Life Insurance Rate

Age - Older policyholders generally have a higher premium.



**Gender** – Men are considered a higher risk than women.



**Health** – Healthier individuals often carry lower premiums.



Current Job - An EMT might have a higher rate than an accountant.



**Lifestyle** – Current financial needs and home costs are also factors.



**AUTO INSURANCE** 

## 5 Ways to Help Lower Auto Insurance Rates

Courtesy of USAA

The price you pay for <u>auto insurance</u> can vary by hundreds of dollars, depending on what type of car you have, where you live and how much coverage you need. It's great to save money, but it's also important to make sure you have the right amount of coverage. "Don't get such a bare-bones policy that you put your financial assets at risk," says JJ Montanaro, a certified financial planner with USAA. "You have insurance to limit the financial damage when something bad happens."

Consider these responsible money-saving tips:

Compare vehicle insurance costs.

Before you buy your next car—whether new or used—compare the insurance rates of different vehicles. Your premium is based, in part, on the make and model, the cost to repair it, the overall safety record and the likelihood of theft. Insurers generally offer discounts for features such as airbags or daytime running lights that reduce risk.

2 Raise your deductible.

A deductible is the amount of money you pay for repairs before your insurance policy kicks in. By requesting a higher deductible, you can lower your monthly premium substantially. Even increasing your deductible from \$200 to \$500 could reduce your collision and comprehensive coverage cost by 15 to 30%. "Just remember, this is where your emergency fund comes in," Montanaro says. "If you're going to raise your deductible, have enough set aside to cover it."

3 Reduce physical damage coverage on older cars.

It may not make sense to keep collision coverage on low-value cars because the insurance costs could exceed anything you get back on a claim. Physical damage reductions offer the greatest savings with limited risk. You also can ask for an estimate of your car's trade-in value the next time you're at the dealership.

4 Research other discounts.

USAA, along with many other insurers, offers savings if you have more than one policy or a long-running loyalty to the insurer. You may also be able to find additional discounts for accident-free drivers and some defensive-driving courses.

5 Maintain good credit.

While good driving habits are the best way to keep your insurance costs low, in some states, your credit score could also be a factor. Repair a damaged credit rating by consistently paying bills and using credit responsibly. Examine your credit report for any mistakes and fight to fix them.

## The 411 on Insuring a Leased Car

Courtesy of the Insurance Information Institute

If you lease a car, you'll still need to purchase your own <u>state-mandated basic autoinsurance</u>—and you'll very likely need additional coverages:

 Your leasing company will require collision and comprehensive auto coverage

The bank, leasing company or other entity that is financing your leased car has a monetary stake in the vehicle. They'll want to make sure there are sufficient funds available to repair the car in the case of an accident. For that reason, you'll need to buy:

- Collision insurance to cover the damage to your leased car from an accident with another automobile or object.
- Comprehensive insurance to cover a loss to your leased auto caused by something other than a collision, such as a fire or theft.

 You'll likely be paying for gap coverage (though you may not know it)

After a new car comes off the lot, its value depreciates quickly. If your leased car is damaged beyond repair or totaled in an accident, there likely will be a difference between the amount that you still owe the auto dealer and the check you'll get from your insurance company for your depreciated car. The difference between the two amounts is known as the "gap."

On a leased car, the cost of gap insurance is generally rolled into the lease payments. Generally, the auto dealer buys a master policy from an insurance company to cover all the cars it leases and charges you for a "gap waiver." This means that if your leased car is totaled, you won't have to pay the dealer the gap amount. Check with the auto dealer when leasing your car for specifics that apply to your leasing contract.

# CARING FOR YOUR HEALTH WORLDWIDE®



#### Health

AFSPA sponsors the Foreign Service Benefit Plan (FSBP), a Federal Employees Health Benefits (FEHB) fee-for-service health insurance, with network providers. FSBP offers high-option medical benefits at competitive premiums. Although many AFSPA members live within the U.S., our customer service staff are experienced with health care delivery and claims handling from foreign health providers. FSBP's unique features and benefits include:

- Generous acupuncture, chiropractic, and massage therapy benefits;
- Wellness Incentives with a generous reward program;
- Mental health programs to help ease life's stressors;
- Direct Billing Arrangements with over 200 international facilities;
- Secure online claim submission & Electronic Funds Transfer (EFT) of claim reimbursement;
- Low calendar year deductibles for in-network and overseas providers;
- 24/7 Nurse Advice Line and Emergency Translation Line;
- A Plan you can keep when you return to the U.S.

**AFSPA** also sponsors several commercial insurance plans. Below is a summary of our supplemental products. Apply/Enroll any time – no Open Season required. Direct debit is available for payment. For more information, visit *afspa.org/aip* or call 202-833-4910.

#### Members of Household Health

**AFSPA** offers three (3) Members of Household medical plans, covering domestic partners, parents, dependent children over 26, nannies, and any other persons who do not qualify for FEHB coverage.

Global Medical Insurance is a health insurance policy by the International Medical Group (IMG) that provides flexible and secure medical coverage while residing anywhere in the world. Choose from five different plan options and customize your trip length and area of coverage.

**GlobeHopper Senior** is a travel medical insurance policy by IMG that offers affordable coverage to U.S. citizens and U.S. permanent residents over age 65 while they

travel outside of the U.S. Two (2) plan options are available: Single and Multi-Trip.

Liaison Travel Medical Series is a comprehensive travel medical insurance policy by Seven Corners that covers U.S. citizens, U.S. permanent residents, and foreign nationals traveling and/ or residing outside of their home country. Three (3) plan options are available: Economy, Choice, and Elite with varied levels of coverages and trip lengths.

#### **Dental**

**AFSPA** offers four (4) Dental plans that cover you overseas or in the U.S. Dependent children covered up to age 26. Enroll any time.

For overseas members, we offer a true international dental plan:

**CIGNA International -**Covers services rendered outside the U.S. Calendar year max - \$3,000/person; No deductibles; Preventive Care paid at 100%, Orthodontia and implant coverage - available for children and adults. Offers a network of over 100,000 providers in 160 countries, or, you may choose your own local provider Plan can pay these providers directly, in most local currencies. Submit claims in any language via CIGNA's secure Web portal or global toll-free fax. Access CIGNA's multilingual Customer Service Center 24/7, via its global toll-free number.

For U.S. members, choose from a nationwide HMO plan or PPO plan with CIGNA Dental:

- Dental HMO No deductibles, waiting periods, calendar year maximums, or claim forms.
   Fee schedule with discounted rates for covered services.
- Dental PPO Calendar year max - \$3,000/person; No deductibles; Preventive Care paid at 100%. Orthodontia and implant coverage available for children and adults, paid at 50%, up to a lifetime max of \$2,500, after a 12-month waiting period.

For members in the Mid-Atlantic area (DC, DE, MD, PA, & VA), **AFSPA** offers:

Dominion National Access
 ePPO - Services are rendered
 by dentists within the
 ACCESS network. No waiting
 periods; no copays for exams,

cleanings, and x-rays. Annual max - \$2,000/person. Some unused benefit dollars can be rolled over to the next year.

Visit <u>afspa.org/dental</u>, for the current dental rates for all four plans.

#### Life

AFSPA has partnered with Prudential to offer an improved term life insurance called Group Enhanced Life (GEL). It enables members to use a portion of their benefit to assist with care giving needs such as home care, assisted living and nursing home expenses, if certain medical criteria are met. Other features include:

- Member coverage from \$50,000 to \$600,000; apply in \$50,000 increments
- Increased coverage for spouses & domestic partners.
   Select \$25,000 to \$300,000
- Increased coverage for dependent children, up to age 26. Choose \$10,000 or \$20,000 flat rate option
- Reasonable premiums;
   Coverage to age 80

#### AD&D

AFSPA's Accidental Death and Dismemberment (AD&D) policy, underwritten by Prudential, covers you in the event of accidental vision loss, hearing loss, paralysis, or death, up to \$600,000 (min. \$10,000). AD&D also offers Seat Belt and Air Bag, Exposure and Disappearance, Loss Due to Coma, Home Alteration and Vehicle Modification, Dependent Education, and Day Care Expense benefits. It excludes acts of war (declared or undeclared) but covers acts of terrorism.

#### Disability

The Lloyd's of London Disability Income Protection Insurance plan pays enrollees 60% of their annual salary, up to \$5,000/ month, up to two years (after a 45-day waiting period). It offers a Lump Sum Benefit option of \$250,000 or up to five times your annual salary, whichever is less – paid when your two-year benefit period has exhausted. Application acceptance depends on health status. Excludes injuries from acts of war or terrorism.

#### The CIGNA Global Health Benefits

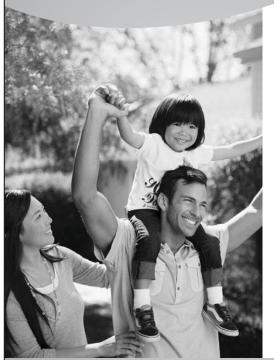
disability plan pays enrollees 60% of their annual salary, up to \$5,000/month (after a 30-day waiting period). Choose a two or five-year benefit period. Medical underwriting not required. There is a 3/6/12 Rule for pre-existing conditions. Covers injuries from acts of war or terrorism. The plan can be used for medically necessary maternity (some restrictions apply).

#### Travel

**AFSPA** offers four (4) travel insurance plan options to cover a wide range of travel services and circumstances. These plans were designed for overseas leisure travel, as well as trips within the U.S. We offer a variety of flexible coverage options - choose what works for your travel needs. Purchase single or multiple trip coverage for short-term or long-term trips.

Features include: medical coverage, emergency medical and political evacuation, repatriation of remains, emergency cash advances, trip interruption, trip delay, luggage tracking/loss, etc. Learn more at afspa.org/travel.

#### A World of Choices





AFSPA, sponsor of the **Foreign Service Benefit Plan**, has provided insurance to Federal employees for over 90 years. AFSPA is proud to offer the following products:

- Health Insurance (FOREIGN SERVICE BENEFIT PLAN)
- Dental Insurance
- Life Insurance
- Travel Insurance
- Disability Income Protection
- Accidental Death & Dismemberment
- Members of Household Health Insurance
- Discount Care Programs

Membership includes all Federal civilian employees of:

- DOD
- FCS • CIA
- DOS
- USAID DHS

#### Caring For Your Health Worldwide®

- ► Personalized customer service
- ▶ Speak with a live person when you call
- ▶ Obtain enrollment/application forms online

#### FOR MORE INFORMATION:

American Foreign Service Protective Association 1620 L Street, NW Suite 800 Washington, DC 20036 afspa.org | afspa@afspa.org | 202-833-4910

facebook.com/afspacares



Courtesy of the Military Health System Communications Office

The COVID-19 pandemic has kept people close to home so they can avoid the contagious virus. But the National Oceanic and Atmospheric Administration predicts a more active than normal hurricane season. It is also wildfire season for those living in the Western half of the United States. So now's the best time to prepare for health care needs if an emergency requires leaving home to seek safe shelter elsewhere.

The Atlantic hurricane season typically starts in June and goes through the end of November. The Eastern Pacific hurricane season usually runs from mid-May to the end of November. Already, there have been three named storms, including Cristobal.

NOAA predicts 13 to 19 named storms bringing heavy rain and wind. Six to 10 could become hurricanes, according to NOAA, including three to six major hurricanes. "Major" is defined as category 3, 4, or 5, with winds of at least 111 miles per hour.

For those living in the Rocky
Mountains, Texas, and the West
Coast, wildfires are of particular
concern. Peak season is from May
through October. More wildfires
occur in eastern and central
states, according to the National
Interagency Fire Center, or NIFC.
Wildfires in the West are larger and
burn more acreage, the NIFC said.

California's 2018 wildfire season was the most destructive on record, according to the <u>Centers for Disease</u>
<u>Control and Prevention</u>, citing data from the California Department

of Forestry and Fire Protection. In California alone, more than 7,500 fires burned nearly 1.7 million acres of land, damaged or destroyed over 23,000 structures, and caused 93 deaths.

To prepare for emergencies,
TRICARE experts recommend
first signing up for disaster alerts.
The alerts are sent via text and
email. TRICARE will give updated
information from federal agencies
and departments, state and
local governments, and the news
and other media. TRICARE also
will announce procedures for
accessing emergency prescription
refills, and the dates during
which these procedures apply.

Recent events that led to disaster alerts included flooding in Michigan, in May; severe storms in Louisiana, Mississippi, and Arkansas, in January; and wildfires in California, in October.

The TRICARE disaster information resource webpage offers additional advice for preparing for possible evacuation. Here are some tips:

- Plan your exit. Identify a safe escape route as well as a place to shelter outside of the evacuation area. Make sure you share your plan with someone who lives outside of the affected area.
- Make a list. This list should include your health care providers' names and contact information, medications with dosage and frequency, and type and model number of any medical devices you use.



Firefighter Mark Williams, Station 4, Camp Pendleton Fire Department, douses a simulated fire while conducting wild land fire refresher training 130 (WRT) at a mutual threat zone, April 16, 2018. The annual training, held every spring, revolves around a simulated wildfire that firefighters must work together to contain. After the drill, participants discussed which elements went well as well as areas for improvement to ensure readiness for the upcoming fire season. *U.S. Marine Corps photo by Lance Cpl. Kerstin Roberts* 

- Get it together. Gather
   immunization records, insurance
   paperwork, and medical
   documents in a waterproof
   container that's easy to carry.
   Put together a basic first aid kit, and make sure you
   have enough medication to
   cover your time away.
- Be mindful of special
  needs. Those with chronic
  health conditions or issues
  with vision, hearing, or
  mobility should get medical
  alert tags or bracelets, and
  identify how they will arrange
  to get disaster warnings and
  find assistance to safety.

For those with pets, the <u>U.S.Army</u>

<u>Public Health Center</u> publication <u>Vet</u>

<u>Connections</u> recommends gathering
an emergency kit that includes
a two-week supply of pet food,

water, and any medications. Make sure you have copies of vaccination and medical records as well.

Some emergency shelters will accept only service animals, the APHC notes, so it's a good idea to identify pet-friendly housing options outside of the evacuation area.

Make sure your pet's ID tags include your current contact information. You also may want to ask your veterinarian about getting your pet microchipped, the APHC says, in case you become separated during the emergency.

Another resource is the Federal Emergency Management Agency guide "Are You Ready." The 200-page, in-depth guide offers information for people to protect themselves and their families in case of weather emergencies, wildfires, and other hazards.



Courtesy of StripesEurope.com

hree days before we were supposed to be on a plane to London, my husband's leave still hadn't been approved. He'd submitted the request as soon as he was able, but it seemed to have hit a snag on its way up the chain of command. Even though we were on pins and needles waiting to hear whether or not we would have to cancel our expensive trip, we were used to the nail-biting process.

Since my husband joined the military, I've learned the hard way that planning anything more than a few weeks in advance is risky business. When duty calls, he has to go—even if we're busy packing our bags for the blissful vacation we've been planning and dreaming about for more than a year. "Service before self" isn't a platitude; it's a military family's way of life.

While we know we must accept it and even expect the military to derail our well-laid travel plans from time to time, disappointment still packs a heavy punch. The added expense of having to cancel or make changes to existing reservations could be the knock-out blow... which is why we are thankful for travel insurance. The only way we were willing and able to book flights, hotels and transportation for our trip to London in advance was knowing we had coverage to fall back on if we needed it.

If you're currently planning a trip while juggling the uncertainties of military life, I highly recommend leaving room in your budget for travel insurance. It may seem like an unnecessary added expense at first, but it could end up saving you tons of money in the event of an unexpected PCS, deployment or temporary duty assignment. From medical coverage to flight changes to protection for personal belongings in the event they get lost or stolen, travel insurance could be a vacationing military family's best friend.

Before purchasing a plan through an airline, cruise company or travel agency, check with your insurance provider; you may be eligible for special member rates.

Still asking yourself, "do I really need travel insurance?"

Three military spouses weigh in on why they also opt for the additional coverage when planning their vacations.

Lizann of Seasoned Spouse, "When we lived overseas, we took advantage of traveling in Europe. We always got traveler's insurance, because my husband's unit could always be called in for emergencies, and plane tickets for a family of six aren't cheap! Also, when our daughter was born overseas, we couldn't travel until she had a passport. My family planned a big reunion trip to Ireland when the baby was 2 months old. We had insurance in case the passport didn't expedite and we couldn't go."

"Service before self" isn't a platitude; it's a military family's way of life.

Amanda of Away We Run, "Planned our whole honeymoon only to find out my husband was getting deployed months prior. Got a full refund after 30 days!"

Amanda, "Before kids, my husband and I usually took the financial risk of no travel insurance. Now, with 4 kids, military life is too unpredictable; we always add trip insurance. The first big use was our 2016 Disney cruise

that we had planned over a year in advance. We took the timing of deployments and PCS into consideration and booked our first cruise vacation with childhood friends. Eight months out, we received off-cycle orders to Germany. We tried everything to still cruise but ended up canceling. So glad we had the insurance! Made the cancellation easy."

In the end, my husband's request for leave was approved at the last minute, and we made it to London after all. Still, knowing it would've worked out just fine if it had been denied was well worth the little bit of money we spent to protect our travel plans. We'll definitely be adding the optional coverage again next time we plan a trip.

Do you opt for travel insurance, or do you prefer to risk it on the road?

## GEICO

# HEADING ABROAD?

## Take us along for the journey.

Overseas insurance is an easy way to protect your car, motorcycle, and personal property when you temporarily move to a different country. With overseas insurance, you could get the same low rates and high-quality GEICO customer service that you get in the States.

## Why else should you choose GEICO for overseas insurance?

- Knowledgeable agents familiar with local insurance requirement
- American style policies, written in English
- Convenient international offices
- Flexible payment plans
- Premiums that do not increase duringnthe policy period, even if exchange rates change
- When you return to the United States, you may be eligible for a preferred rate with GEICO



The above is meant as general information and as general information and as general policy descriptions to help you understand the different types of coverages. These descriptions do not refer to any specific contract of insurance and they do not modify any definitions, exclusions or any other provision expressly stated in any contracts of insurance. We encourage you to speak to your insurance representative and to read your policy contract to fully understand your coverages. Overseas coverages for Balgium, Germany, Italy. Spain, and the United Kingdom are provided by non-affiliated insurance companies through GEICO Financial Services, GmbH, a GEICO affiliate, representing Mirascon Versicherungs agentur GMBH. Overseas coverages for Italy is provided by non-affiliated insurance companies through GEICO Financial Services, GmbH, a GEICO affiliate, representing Patria Hispana, Overseas offices other than Kaiserslautern are operated by independent contractors. Some discounts, coverages, payment plans and features are not available in all states, in all GEICO companies, or in all situations. GEICO is a registered service mark of Government Employees Insurance Company, Washington, DC 20076; a Berkshire Hathaway Inc., subsidiary, GEICO Gecko image © 1999—2019. © 2019 GEICO