



Brought to you by Charlie Miraglia

KNIGHTS OF COLUMBUS

Financial Beacon

Spring 2011

Update your beneficiaries
not just your will

**Letter
from your
agent:**

Protect
your most
important
asset

**Q & A: Disability
insurance basics**





A MESSAGE from your agent

Dear Brother Knight:

Think about your most valuable assets: your home, your vehicles, insurance policies, savings, etc. The one asset that makes them all possible is your ability to earn a living—that's truly the most valuable asset most of us will ever have. And like any other asset, you need to consider how you will protect it.

If you have disability insurance through work, take a few minutes to review how much income it will actually replace, for how long, and under which circumstances. If you're self-employed or your employer doesn't provide disability insurance, learn what—if anything—you could expect from government programs for disabled workers.

Articles in this issue of *Financial Beacon* will answer some basic questions about disability insurance and the new Knights of Columbus product, Income Armor. But you'll need more information to make a good decision. Unfortunately, preserving a stable income is an issue that weighs on many of us these days. Let me help you do more than just worry about it for a change.

Fraternally yours,

Charlie Miraglia

Q & A: Disability insurance basics

Maybe you've been lucky enough not to have needed an employer's disability benefits. If so, you may have little idea how much income you'd receive if a non-work-related illness or injury prevented you from working.

If you don't have disability insurance through work that applies to a non-work-related illness or injury, you're probably unsure how much income, if any, a government program would provide if you can't work for an extended period.

The worst time to learn whether you are prepared to replace lost income is when you become disabled. Take some time to review these things now.

To get you started, here are brief answers to some key questions you should ask about disability benefits for non-work-related incidents:

❶ **How long does the coverage last?**

The "maximum benefit period" for any one period of disability can be for a fixed number of years, or up to a certain age. For example, the Knights of Columbus Income Armor policy's maximum benefit period options are two years, five years, or to age 67. Depending on your family's financial situation, an employer- or government-sponsored plan with a brief maximum benefit period may need to be augmented with a private policy.

❷ **What are the main differences between total and partial disability coverages?**

Total disability generally means that your illness or injury prevents you from performing any of the material or substantial duties your job requires. Partial disability, for which a typical policy pays half of the maximum monthly benefit, can mean one of two things:

- ✓ You can perform only some of the duties necessary for your job.
- ✓ You can perform all of the duties necessary for your job, but not for more than half of the time the position normally requires.

❸ **Are benefits tied to whether I can perform the specific job I was doing before becoming disabled?**

Some policies pay full benefits for a set period if you can no longer do the job you had when you became disabled. After that period—two years, for example—the policy will provide benefits only if you can't perform *any job* for which you are reasonably qualified.

❹ **What is an elimination period?**

The total number of days a total disability must exist before benefits begin to accrue. Typical elimination periods are 30, 90, or 180 days. Some policies, such as K of C's Income Armor, waive the elimination period for specific types of serious disabilities, such as losing the use of both eyes or ears.

❺ **Is my coverage guaranteed renewable?**

For a private disability insurance policy, it's important to know whether the insurer can cancel the coverage for any reason other than non-payment of premiums. Income Armor is guaranteed renewable.

Looking at the details of disability insurance will surely raise many more questions. For example, policies vary widely in what they exclude from coverage. You may have several options to extend coverage or adjust benefit levels.

A great place to start is by calculating how much income you'd need to replace to maintain your family's lifestyle. I'd be glad to help with that, and answer any questions you have about Income Armor from the Knights of Columbus. ♦



LEADING CAUSES OF LONG-TERM DISABILITY

If you had to guess the most common cause of a long-term disability, would you guess a car crash or some type of cancer? Most of us probably would. But statistics from a Council for Disability Awareness 2010 survey show that neither of these is even in the top three causes of existing long-term disability claims.

% of long-term disability claims - 2009

Claim diagnosis category	New	Existing
Musculoskeletal / connective tissue	26.2%	28.5%
Nervous system-related	6.7%	13.7%
Cardiovascular / circulatory	8.9%	13.1%
Cancer and neoplasms	15.3%	8.4%
Injuries and poisoning	8.8%	7.2%
Mental disorders	7.8%	7.2%
Respiratory system	2.2%	3.0%
Symptoms, signs, and ill-defined	3.5%	2.7%
Infections and parasitic diseases	1.2%	2.4%
Digestive system	2.6%	2.2%
Endocrine, nutritional and metabolic diseases, and immunity disorders	1.3%	2.1%
Genitourinary system	2.1%	2.0%
Complications of pregnancy, child-birth and the puerperium	7.5%	1.4%
Others	5.9%	6.1%

Source: 2010 Council for Disability Awareness Long-Term Disability Claims Review



Update your beneficiaries— not just your will

One of the most important, and most overlooked, details in managing a family's finances is updating the beneficiaries named in life insurance policies, retirement accounts, and other financial instruments.

Even if you've recently established or updated a will, complications and tax consequences caused by out-of-date beneficiary designations may still arise.


Changes in your marriage status, the death of a beneficiary, children added to your family through birth, marriage, or adoption, and many other life changes can cause serious difficulties if you die without updating certain beneficiaries.


Let me help you review any Knights of Columbus products for which you've named beneficiaries. And you should always get qualified legal and tax advice when beneficiaries are involved. ♦


YOUR GENERAL AGENT



Charlie Miraglia, FICF

 420 US Hwy 46 East, Suite 6
Fairfield, NJ 07004

 **OFFICE:** (973) 227-3500
CELL: (201) 954-4664
FAX: (973) 227-3559

 **EMAIL:** charles.miraglia@kofc.org

Family benefits & services

Knights of Columbus insurance consistently ranks at the top of the industry in financial stability and ethics. Please call to discuss these services:

- Financial needs analysis
- Life insurance
- Tax deferred fixed-rate annuities
- Long-term care insurance
- Retirement planning
- Estate preservation
- Scholarships
- Family fraternal benefits

Contact me today for information on long-term care insurance



**MORE KNIGHTS AND THEIR FAMILIES
ARE SECURING THEIR FINANCIAL
FUTURES THROUGH THE ORDER.**

Record-breaking growth and strength continue *Join the expanding ranks of insured Knights*

The number of Knights who moved from Associate to Insured status in 2010 (by purchasing life insurance, annuities, or long-term care insurance through KofC) was the highest in five years. In fact, in the last five years, more than 105,000 members have taken full advantage of their fraternal benefits.

Perhaps more Knights and their families are securing their financial futures through the Order because its strength and stability stand out in a difficult economy.

Consider these 2010 year-end results for the KofC's insurance operation:

- **More than \$764 billion in dividends and death benefits paid to members and their families**
- **A record \$78.9 billion of total**

insurance in force, compared with \$40.4 billion in 2000

- **\$7.77 billion in life insurance issued for the year, also a record**
- **20,000 new annuities written for Knights and their families**
- **Annuity deposits set a record of more than \$600 million**

We're not patting ourselves on the back for these results. We know that many more Knights and their families need our time-tested, reliable, and proven solutions to prepare themselves financially—for good times and bad.

If you could use some help determining how to protect your income, your retirement, and your goals for the future, please get in touch with me. ♦