

The Hock Group

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Private Wealth
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Reviewing Your Life Insurance

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Life insurance can safeguard against an unexpected loss of income, help transfer wealth or business interests tax-efficiently or even provide supplemental income in retirement. Before choosing a policy, though, it's important to understand how it meets your specific financial goals. This month's Wealth Management Insights proposes three essential questions to ask yourself when considering life insurance coverage.

What you should know:

1. What are my life insurance needs and objectives?

- The most common purpose for personal life insurance is to replace lost income in the event of an unexpected loss. If others depend on the income or services you provide, this type of insurance protection is essential.
- If you expect to incur an estate tax liability, wish to equalize the value of your estate among multiple beneficiaries or create a charitable legacy, you could consider using life insurance to facilitate the transfer of wealth in a tax-efficient manner. By doing so, you may avoid the need to liquidate assets quickly or in adverse market conditions.
- Permanent life insurance policies geared toward cash value accumulation may be used as a future, income tax-free living benefit. If you already contribute the maximum to your retirement accounts and are looking for additional ways to create wealth, this type of policy might be for you.

2. Are you confident you're maximizing coverage while minimizing premium expenses?

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3. Am I due for a comprehensive insurance review?

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What you should do now:

If it's been a while since you either purchased life insurance or reevaluated its relevance to your current situation, or if you're interested in getting a better understanding of how your current insurance portfolio functions, you may want to consider a comprehensive insurance policy review. The Hock Group works closely with Baird's insurance professionals to identify your unique insurance objectives and make sure your current policies are optimal to reach these goals.

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Private Wealth Management | Baird
2425 E. Camelback Road, Suite 530 | Phoenix, AZ 85016
602-224-4900 | thehockgroup.com

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