

# Let's Talk

Conversations that make a difference

Genworth 



INSIDE

**4**  
You're more important  
than you think –  
Three reasons to talk about  
the future today

**8**  
How strong is your  
financial foundation?  
Small steps that can  
make a difference

**15**  
Hindsight, Insight –  
What families wish they  
had done differently

# Aren't we lucky to have a life worth protecting?

Reflecting on the life, home, family, and friendships that we have established can be the first step in starting the important conversation of protecting what we love. When we take this inventory, we may find we have more to treasure than we realize.

Planning for the future is a journey that can never start too soon.



## It goes without saying.

Sometimes we feel that we know a spouse or a partner so well that we know what they're thinking. Honestly, though, could you name the three greatest priorities of the most important person in your life? And could they name yours? In fact, could you name yours? Most of us would automatically start with "my loved ones," but does the way we live and plan our lives truly reflect our priorities?

The important thing is to get the conversation going.

**Let's Talk** is a way of encouraging you to have those important conversations, and gives you some tools to help. So take a look at the life you've created, and consider how it might unfold without you. Share your thoughts and ask those you love to share theirs. Explore your options, and take action by talking to a financial professional – and then get back to the business of enjoying life.

"The future depends on what we do in the present."

- Mahatma Gandhi

# You're more important than you think



## 3

Good reasons to talk about the future **today**.

- 1 -

"Tomorrow" doesn't come with a guarantee.

- 2 -

The sooner you start planning, the more confident you'll feel.

- 3 -

Your and your family's financial sense of security can never come too soon.

We spend much of our lives creating the best life we can, providing for our loved ones, creating the experiences that we hope will create wonderful memories, and taking care of each other.

We plan and save for a rainy day, for emergencies and for our family's future. Important things usually find a place in our budget, but statistics show that most of us don't plan for what might happen when we're gone. Loss of a primary wage earner or stay-at-home parent can be the biggest emergency a family will ever face. And it can put the life that our loved ones have enjoyed or that we've planned for at risk.

Whatever your life situation or circumstances – young or old, married or single, male or female, well off or just getting by – life can be unpredictable. There are no guarantees.

That's why it's never too soon to think about the life you'd like your family to have, the way you want to be remembered, and the causes you'd like to support. Don't postpone the discussion for too long.

One of the most important things in life is knowing what's important.



# Who to talk to

When you start talking about “life after me” with those who care about you, it may be unsettling for everyone. But it doesn’t have to be if you stay positive and upbeat. You’re simply taking this opportunity to plan for your family’s long-term future and find ways of securing it.

If you have a spouse or partner, you may want to include them in this planning process so they can understand the provisions made, the documentation to look for, and where to find it. Even in an age when bill-paying and financial decisions are often made jointly, both husbands and wives are apt to say “I wish I had been more involved and paid more attention.”

You might include your children in the conversation, depending on their ages. You may also want to talk with close friends, parents, neighbors, siblings, godparents – the people your loved ones would call on in a time of need. If you have an attorney, a banker, or a financial professional, it’s a good idea to let them know what you’re thinking and ask their advice. The more informed you are, the more grounded the decisions you’re likely to make will be.

If your spouse or partner is reluctant to take part in this conversation, you might start in reverse. Think and talk about how your spouse’s passing would impact you and the rest of the family. This should lead naturally into broaching the subject from the other direction as well.

More than 50% of all Americans have no life insurance, even though they recognize a need for it.

– The LifeJacket<sup>SM</sup> Study, Genworth Financial, Inc., September 2011



“Life is a great big canvas, and you should throw all the paint on it you can.” – Danny Kaye



## QUESTIONS TO Help the conversation

Life and death can be difficult to discuss. One way to have the conversation is to start with simpler, more concrete topics, and then move to bigger questions as your comfort level allows. You may want to finish up on a more positive note with questions around dreams and hopes. The idea is to troubleshoot as much as possible now so that one of life's emotional times isn't also full of questions and confusion.

### STARTING OUT

- What is our total debt including cars, the house, credit cards and other loans?
- What financial obligations will continue (or even increase) if I pass away – monthly expenses, childcare, healthcare, legal fees, funeral costs?

### BIGGER QUESTIONS

- What do you think your or our family's greatest financial need will be after I'm gone?
- Would you have the choice of working or not working?
- Who might be able to help with the caregiver role when I'm gone?
- How can we help protect the kids' emotions during this time?
- How would the loss of my income affect your ability to retire?

### DREAMS AND HOPES

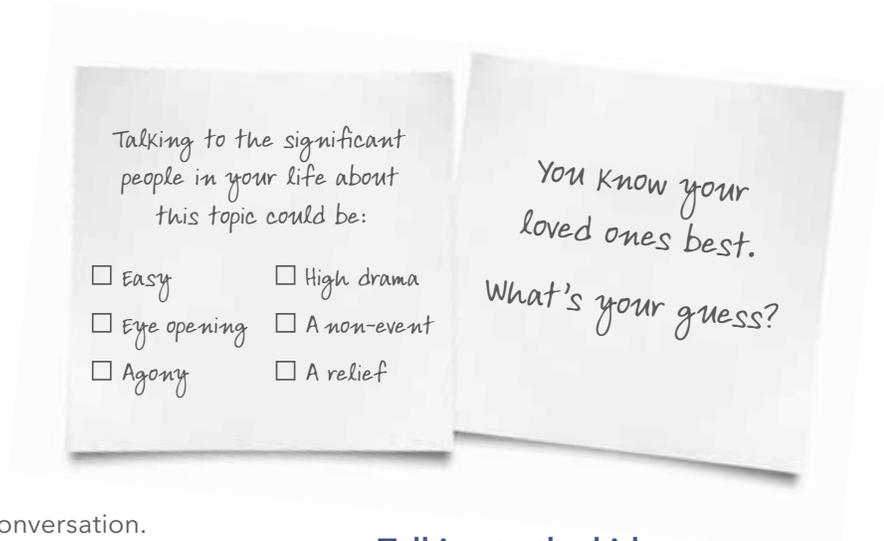
- What are your long-term dreams?
- Do you know what my hopes are for your future?
- How do you feel about leaving something to other loved ones, such as nieces, nephews, a godchild or friends – or to a favorite cause or charity?

Two little words that spark big conversations:

# What if?

You could ask: "What if I died first? Would you stay in the house? Would you still be able to retire when and as we planned? What if I had a life insurance policy? What would you use that money to cover? Would it be enough?"

**Discussing these scenarios and deciding on a plan can be a confidence building exercise.**



Everyone responds differently to this kind of conversation. Here are some ideas to help you make it constructive.

## Openness and willingness

This may come from the person who is ready to have the discussion. He or she may already be thinking about the subject, perhaps because of a recent life change. Some of the "triggers" that encourage this talk might be a new job, a new home, a landmark birthday, a birth, a health problem, a change in marital status, the death of someone close or the end of your existing life insurance coverage. Whatever the motivation, grab hold and make the most of it.

## Denial

The mere mention of the D word brings out the ostrich head-in-the-sand reaction in some people. Very quickly reassure them that nothing is wrong, that you're not anticipating departing this life anytime soon, but you'll feel better having this conversation sooner rather than later – and thank them for taking you seriously.

## The glazed eye

Someone you invited to the conversation may not really be participating, but rather pretending to listen and be interested. If it's a topic they really prefer not to talk about, they can shut you out and disengage. You might direct some questions their way to draw them in, or gently probe to clarify their hesitations and understand their reluctance.

## Sudden activity

When some people sense a serious discussion coming on, they immediately have to clean the gutters or wash the dog. Be direct: Assure them it's not bad news you want to talk about. If it doesn't seem to be a good time, ask them to suggest a better one and make the commitment to talk.

## Nervous laughter

Some people process things by making light of them. That's fine, as long as they understand that this conversation is important to you. If the joking around becomes distracting, make it clear that this is an important topic for you. It's okay, though, to wrap up the conversation in a lighthearted way so that they walk away feeling comfortable.

## Talking to the kids

Each parent has to decide whether, when, and how to introduce the topic of death to their children. Age and maturity will be crucial to that decision. Sooner or later an opening likely will arise: a moment when your child might ask something like, "If anything happens to you, where would I live?"

You start, of course, by reassuring them that it's unlikely anything is going to happen to you for a long time. You also should point out that their security has been provided for. Then, answer their question and see where the conversation goes.

With an older child, you and your spouse or partner may be able to sit down and go over all your plans, from keeping the family in the same house to paying for college. Just remember, no matter their ages, your kids:

- Need reassurance
- Understand more than you think
- Have probably thought about this subject before

# How strong is your financial foundation?

Establishing a strong financial strategy is extremely important. Whether or not you work with a financial professional, CPA, or insurance agent you may have already prepared for the future in some ways. Maybe you have a savings or money market account, a CD (Certificate of Deposit), a 401k, a 529 or college fund, or investment accounts.

People are more apt to have products that help them save than they are to protect what they are saving for. Yet **protection should be as important to your plan as saving, if not more important**, so that the things that you prepare for can move ahead as planned.

When thinking through what kind of protection may be right for you and your family, consider whether you need a temporary or permanent solution or both. Do you want to protect your family or other loved ones only while they are dependent on you, or is there a need for protection in later phases of your lifetime?

Although mortgage, education and other child related expenses may diminish in your later years, your focus on retirement savings

and your nest egg may increase. Consideration should be paid to the impact on your spouse's or partner's ability to retire should something happen to you before your nest egg is built as planned.

If you need protection while you have dependents or for a specific period of time, term life insurance may be the answer. Otherwise, permanent life insurance may give you greater flexibility.



A financial professional can help you by understanding your needs and identifying options for you.

## Your Ideal Equation

While some experts suggest purchasing five to 10 times your annual salary in life insurance coverage, your unique situation will drive how much you need.

Your "ideal equation" should consider not only the short-term costs associated with funeral expenses and medical bills, but also long-term expenses like mortgage, car payments, student loans, and retirement funding for your spouse or partner. Planning for outstanding debt could help your loved ones avoid dipping into savings, having to go back to work to meet financial obligations, or postpone their planned retirement.

Determining your needs should not be a one-time event – just as your life changes so should your life insurance coverage.

# It all adds up

Use this list to help you determine today's obligations that may need to be covered if you pass away. Then consider your current contributions to savings that would also be impacted. Once you complete your list as best as you can, take it to a financial professional to discuss your needs.

NAME \_\_\_\_\_ DATE \_\_\_\_\_

MONTHLY (x 12) = ANNUALLY

## HOUSING

- Mortgage payment or rent \_\_\_\_\_
- Utilities \_\_\_\_\_
- Maintenance \_\_\_\_\_
- Insurance \_\_\_\_\_
- Taxes \_\_\_\_\_

## FAMILY EXPENSES

- Childcare \_\_\_\_\_
- School supplies & fees \_\_\_\_\_
- Activities (sports, clubs, lessons) \_\_\_\_\_
- Eldercare \_\_\_\_\_

## TRANSPORTATION

- Auto maintenance \_\_\_\_\_
- Car payment \_\_\_\_\_
- Insurance \_\_\_\_\_
- Property tax \_\_\_\_\_
- Periodic vehicle replacement \_\_\_\_\_

## LIFESTYLE

- Groceries \_\_\_\_\_
- Clothing \_\_\_\_\_
- Entertainment \_\_\_\_\_
- Vacations/travel \_\_\_\_\_

## EDUCATION

- Children's college \_\_\_\_\_
- Adult education \_\_\_\_\_
- Grandchildren's college \_\_\_\_\_

## DEBT & ONGOING OBLIGATIONS

- Credit card debt \_\_\_\_\_
- School loans \_\_\_\_\_
- Medical bills \_\_\_\_\_
- Alimony/Child support \_\_\_\_\_

## PETS

- Veterinary bills or procedures \_\_\_\_\_
- Food & maintenance \_\_\_\_\_
- Arrangements for pets who may outlive you \_\_\_\_\_

MONTHLY (x 12) = ANNUALLY

## MEDICAL EXPENSES

- Current and future costs \_\_\_\_\_
- Long term care costs \_\_\_\_\_
- Insurance \_\_\_\_\_

## CHARITABLE GIVING

- Organizations \_\_\_\_\_
- Causes \_\_\_\_\_

## CONTRIBUTIONS TO SAVINGS & INVESTMENTS

- Money market account \_\_\_\_\_
- Personal savings account \_\_\_\_\_
- Children's savings account(s) \_\_\_\_\_
- CDs (Certificates of deposit) \_\_\_\_\_
- 401k \_\_\_\_\_
- IRA (Individual Retirement Account) \_\_\_\_\_
- Other retirement savings \_\_\_\_\_

## CATEGORY TOTALS

MONTHLY (x 12) = ANNUALLY

- Housing \_\_\_\_\_
- Family Expenses \_\_\_\_\_
- Transportation \_\_\_\_\_
- Lifestyle \_\_\_\_\_
- Education \_\_\_\_\_
- Debt & Ongoing Obligations \_\_\_\_\_
- Pets \_\_\_\_\_
- Medical Expenses \_\_\_\_\_
- Charitable Giving \_\_\_\_\_
- Savings & Investments \_\_\_\_\_

**TOTAL** \_\_\_\_\_

# THE power OF choice

Choice is about preparation. When you are prepared for a wider range of events, you give yourself more options. By working with your family to think about life insurance now, you can make sure they will feel financially secure when you're gone. They will be prepared, and in a better position to make good choices about the rest of their lives.



## LIFE INSURANCE CAN GIVE YOU:

### The power to protect

- Helps protect the people and things you love from the loss of your income
- Helps protect your family's current standard of living and ability to remain in their home
- Helps protect your family from unexpected expenses caused by your loss

### The power to comfort

- Makes it possible for your loved ones to realize their dreams and fulfill your hopes
- Provides financial comfort at one of the most critical moments in your family's life
- Gives you confidence that you have planned well for your family's future

### The power of financial stability

- Helps stabilize your family financially in case of the loss of a primary wage earner or stay-at-home parent
- Helps cover unanticipated bills related to your estate, medical bills and funeral expenses
- Provides a death benefit that is almost never subject to federal income taxes
- In the case of permanent coverage, it can provide an early cash payout if and when emergencies arise

# Ladies First

Women today are working more and earning more than in prior years. They are more often the family's primary wage earner and are more likely to head up a household than ever before. They also typically outlive their spouses, and are therefore the ones most impacted by life insurance and retirement savings decisions that have been made.

This a good reason for women to take a leading role in financial discussions and planning. **Take the initiative and start the discussion today.**



Between 1960 and 2011, the cost of raising a child grew by \$40,000, or 23% in 2011 dollars, to \$234,900.

- How Much Does It Cost to Have a Kid? (Much More Than It Used To). The Atlantic, June 2012.

## Hers and his

Too often it's assumed that only the man or primary breadwinner needs to be insured, but this notion is both old-fashioned and shortsighted. No longer is the man necessarily the breadwinner, and a woman's income is rarely just "supplemental." Many households today rely on two incomes, and a loss of either one could have significant consequences.

No matter who stays at home with the kids, it's important to realize just how valuable that role is. Love and attention are part of the equation, but so are dollars and cents. In fact, the cost of raising children has steadily climbed, as has the portion dedicated to education and child care (from 2% in 1960 to 18% in 2011).<sup>1</sup>

If your family has chosen for a parent to be a stay-at-home caregiver make sure you recognize the true economic value of that service and take steps to protect it. Life insurance for the caregiver is one way families can help make sure they have the financial means to continue the stay-at-home care, or to employ others to fill in.

## Margaret

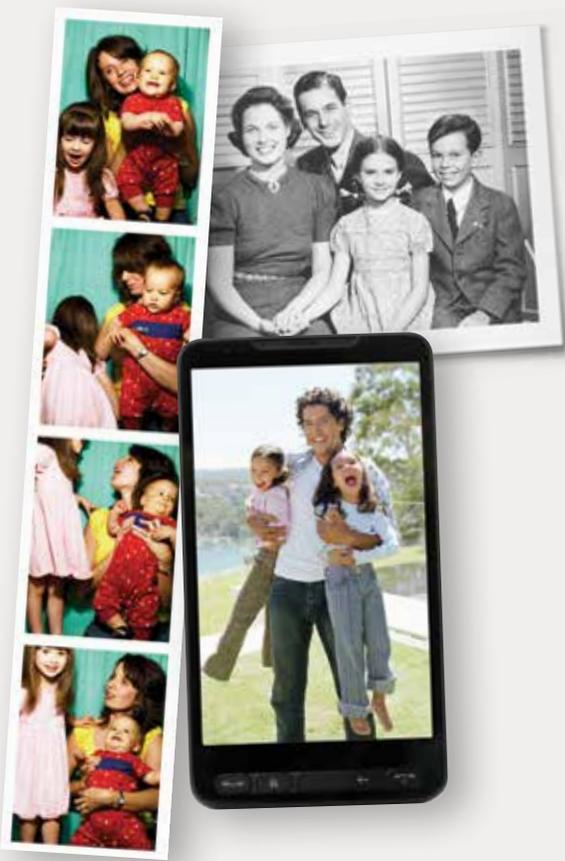
In the days when life seemed limitless, Margaret used to joke that there was "just enough insurance on me to bury me." She and her husband Patrick had taken out a big policy on him right after Tessa, their first child, was born, but Margaret's small policy was pretty much an afterthought.

As a free-lance copywriter who worked from home, Margaret divided her time between taking care of their three children and writing brochures to supplement the family's income.

When she was diagnosed with pancreatic cancer and died in a matter of months, Patrick was stunned emotionally and financially. Unfortunately, Margaret's modest life insurance policy just covered her final expenses – and very little else.

As he set his sights on providing the best possible future for his children and himself, Patrick revisited the role of life insurance in his family's financial plan to make sure his own coverage was truly sufficient, and encouraged other loved ones to rethink their protection.

<sup>1</sup> How Much Does It Cost to Have a Kid? (Much More Than It Used To). The Atlantic, June 2012.



THE UNCHANGING RULE OF LIFE:

# Things change

Chances are your life has changed over the years, most likely in terms of income, marital status or health. If you bought a life insurance policy, it should reflect these changes. And if you were once unable to afford enough insurance, now you may be able to gradually buy the amount and type of coverage you need.

Getting coverage while you are in prime health is a great idea, however, if you are not in perfect health don't shy away from looking into life insurance. Today, how well conditions are treated or monitored often will be taken

into account when you seek coverage.

Over ½ of American adults with asthma, anxiety or depression are uninsured.

- 2012 National LifeJacket<sup>SM</sup> Report, Genworth Financial, Inc., June 2012

As you age, your needs change as well. You may want to protect your grandchildren,

or leave an inheritance to other family members. Your mortgage may not be as much of a concern, but you may want to leave a legacy, or your nest egg may need shoring up.

At a time when the divorce rate in the U.S. hovers around 50%, second marriages and blended families are common. With those life changes comes a need to revisit your life insurance policy and your beneficiaries.

There are many good reasons to talk to a financial professional every year. They can help you see whether you need more coverage or less, or if you require an altogether different kind of insurance.

Marriage and reaching a certain age were the top reasons to buy life insurance for men, while birth of a child and a job change were the top reasons for women.

- The LifeJacket<sup>SM</sup> Study, Genworth Financial, Inc., September 2011

## After raising three kids, Georgina

expected to enjoy the empty nester years with her husband of 32 years, Ron. Once the kids graduated from college, she and Ron focused on saving for retirement, trying to make up for the years they had spent saving for education instead. They had decided that five years before retirement they would buy a smaller, less expensive house and invest the difference. Instead of taking big vacations, they would take extended road trips, or stay close to home and catch up on reading, take classes, and enjoy their family.

But before these plans could come to fruition, Ron passed away. Fortunately, he and Georgina had worked with a trusted financial professional who had suggested adjusting their financial protection and savings as their needs changed. With fewer dependents, a smaller mortgage, and a little more cash, they had bought two permanent life insurance policies. Had it not been for Ron's policy, Georgina would have had to postpone her retirement and would have faced significant financial challenges as well as the grief of losing Ron. She was grateful they had adjusted their plans at the right moment in time.



# Is it time for an adjustment?

## Do the workplace math

Many employers offer life insurance. While some life insurance is better than none, employer-offered coverage may be insufficient, and additional coverage you buy through your company can be more expensive than what is available outside the workplace.

It's also important to remember that you likely will have several jobs over your lifetime, and a company's group coverage is usually not portable. The fact is that obtaining a policy of your own is sometimes better. The price will be determined by your own age, health status and well being, and not by the pool of your co-workers. As always, it's a good idea to talk to a professional about what's best for you.

## Freelancer? Part-timer? Contract Worker?

If you are not a full time or permanent employee you probably don't have any employee benefits, or very few. But just because an employer doesn't offer it doesn't mean you don't need or shouldn't get it.

## Are you a procrastinator or are you just procrastinating?

Some people are procrastinators while others only procrastinate when it comes to certain things. Which are you?

It can be difficult to identify what is really holding you back from securing your loved ones' future. Do you have a health condition that you think will impact your ability to get life insurance? Do you think that the right coverage is too expensive? Do you feel that these are private topics you'd rather not get into with non-family members?

Not being in the best health or weighing more than the average does not need to be a barrier to getting protection for you and your family.

Have a conversation with yourself and with your loved ones, take a good look at your budget, health, and competing financial priorities – then talk with a financial professional to explore your options.

Consumers believe that life insurance is nearly 3 times its actual price.

- LIMRA, Consumers Overestimate Cost of Life Insurance, April 2012

Adrienne and her Aunt Gin had always been especially close.

Over the years they'd enjoyed many family get-togethers in the beautiful old Victorian home that was Aunt Gin and Uncle Hal's pride and joy. When Hal passed away, the upkeep of the property quickly became too much for Gin. The whole family watched her struggle without complaint until finally Adrienne sat her down for a heart-to-heart.

"Is that what Hal wanted? For you to wear yourself out keeping up this house?" It turned out they'd never talked about it. Gin had just assumed Hal would have wanted her to stay in the house. Adrienne spoke a simple truth: "I think he would want you to enjoy your life." Just hearing the words helped Gin move on, free of guilt, and into a new way of life. Now she lives in a nice condo and watches somebody else mow the lawn. Adrienne soon had a heart-to-heart with her own husband.

# It's easier than you think

Confronting your own mortality and planning for what comes after is huge – but it can also be surprisingly rewarding. The sooner you take care of tomorrow, the more you'll enjoy today.

Here are a few simple steps to get you started...

1. Discuss your long-range hopes and concerns with the people closest to you, sharing with them what's important to you and finding out what's important to them. What are their dreams and fears for the future?
2. Educate yourself on your options. It's important to determine which resource and which product is right for you and your family's needs. Consult with your financial professional, and if you don't have one, find one with whom you're comfortable.

They can help you calculate your life insurance needs and see how life insurance might fit into your household budget and overall financial plan.

3. Make a plan, share it with your loved ones and put it into action. Understand that having insurance is not an "all or nothing" proposition. Some is better than none, and the goal is to move over time from "some" to "enough." You can increase coverage as your budget allows or as your coverage needs evolve. A primary goal is to come up with a plan that protects your family from the burdens of immediate debt after your death. Be sure to let your spouse or partner know about the plans and policies in place that are meant to help them.



"The time to repair the roof is when the sun is shining."

- John F. Kennedy

# Hindsight & Insight

## What families wish they had done differently

Often it's difficult to visualize or relate to something you have not personally experienced, especially when you believe it unlikely that the "something" will happen to you in the foreseeable future. Sometimes, though, we can learn a lot from the experience of others.

### Doing the homework

"The best thing we did was research all of the life insurance product choices and make choosing a policy a joint decision." - Teresa E.

"My husband had handled everything, so when he died, I struggled just to find the paperwork, much less figure out what to do. I wish I had been more involved. It made everything so hard at a time that was already very tough."

- Elizabeth H.

Only **29%** of people discuss their life insurance coverage with a financial professional every year.

- The LifeJacket<sup>SM</sup> Study, Genworth Financial, Inc., September 2011

### Consulting a professional

"I'm glad I already had an advisor I trusted. I can't imagine trying to find one while I was emotionally vulnerable." - Elena C.

"The first year was really hard on me - I had to learn so much. Having the insurance money freed me from financial worry and helped me focus on moving forward." - Lucy R.

**69%**

of consumers trust their advisor or agent.

- The LifeJacket<sup>SM</sup> Study, Genworth Financial, Inc., September 2011

### Making good choices

"Purchase the amount of life insurance you can afford and, if necessary, consider cutting back on non-essentials if you have to. You never know if and when something will happen to you and you never want to leave your family struggling to survive." - Sara T.

**65%**

of those whose loved one had reviewed their policies annually with a financial professional were able to use the life insurance payout for immediate needs and long-term plans, such as college and retirement savings.

- Genworth Life Insurance Beneficiary Study, 2010

### Being flexible

"I am reminded that you can't plan for everything, but it still helps so much to have some sort of plan. Our life insurance used to be a very small portion of our retirement plan; but when my wife got sick, all of our retirement funds went to pay for her illness. After she died, our life insurance became a critical element of my retirement plan." - Steve B.



# Ask. Talk. Listen. Repeat.

Get connected. Stay connected.

The Let's Talk series is designed to help families think through important issues. Other editions in the Let's Talk series may help you have conversations about long term care and retirement. Ask your financial professional for these and help in securing your financial future.

## Let's Talk

Conversations that make a difference



Genworth helps millions of people achieve their dreams of financial independence, a comfortable retirement and protection for their loved ones.

For more information visit our Web site:  
[genworth.com/lets-talk](http://genworth.com/lets-talk)

|  |                               |
|--|-------------------------------|
| <b>Insurance and annuity products:</b>                                     | <b>Are not</b> deposits.      |
| <b>Are not</b> guaranteed by a bank or its affiliates.                     | <b>May</b> decrease in value. |
| <b>Are not</b> insured by the FDIC or any other federal government agency. |                               |

The names used in some scenarios are fictitious.

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