

## **Eight Oft-Overlooked But Potentially Indispensable Types of Insurance**

Most people don't blink when it comes time to reach into their pockets to pay for health insurance, homeowners insurance, auto insurance or even short-term disability or life insurance coverage because they see value in paying an insurance company to help protect them financially from the risks they face in going about certain key aspects of their lives.

But depending on personal and professional circumstances and needs, it also may make sense to consider other lesser-known but valuable forms of insurance, beyond the obvious types of policies you may already own. These frequently overlooked insurance products provide people with much-needed coverage in areas where they may be vulnerable, often for a relatively modest price.

Below are a handful of insurance products worth considering. Before you invest in any of them, be sure to visit with a financial and/or insurance professional with the expertise to assess your insurance needs and recommend appropriate types and amounts of coverage. "It's important to have a thorough conversation with an insurance expert so you know what you have and what you need," explains Brian Kuhn, a certified financial planner with Fulton, Md.-based PSG Clarity, a division of Planning Solutions Group. Visit the Financial Planning Association's national database at [www.PlannerSearch.org](http://www.PlannerSearch.org) to find a CERTIFIED FINANCIAL PLANNER™ (CFP®) in your area.

**Umbrella insurance** provides an extra layer of personal liability protection on top of auto, homeowners, accident and other types of insurance. Umbrella policies protect people and their assets from risks that could exceed the coverage limits of traditional kinds of insurance policies, such as an auto accident involving an uninsured driver, or a serious accident at your home that triggers a lawsuit. "The premiums [on accident insurance] are relatively low and it provides great peace of mind," says Denver-based certified financial planner Kristi C. Sullivan.

**Long-term disability insurance** also provides an extra layer of protection on top of another common form of insurance, in this case short-term disability. While short-term disability typically provides coverage (usually in the form of income replacement) for a short period of time, such as several months, long-term disability insurance typically provides benefits for several years or more, making it a good fit for the primary income-earner in a household, for whom the loss of that income could be catastrophic.

**Errors & omissions (E&O) insurance** makes sense for people in a wide range of professions, insuring them against potential personal liabilities related to any errors or omissions they make while on the job.

**Identity theft (IDT) insurance** is gaining appeal as identity theft become more prevalent. An IDT policy keeps a close watch on a policyholder's credit ratings and credit activity, flags suspicious activity and moves to remediate any damage if the person's identity and personal information are compromised. "It's pretty cheap to purchase and makes sense if you have a lot of online transaction activity," notes Kuhn.

**Renters insurance** is a wise choice for people who live in rental housing, providing protection for their personal property.

**Business overhead insurance** provides funds to a business owner to cover business overhead expenses when the company is forced to go without one of its key revenue-producers for a period of time, due to illness, injury, etc.

**Long-term care insurance** provides coverage to people who need nursing home or in-home care for a period of time later in life. Coverage is available via a stand-alone policy or with other hybrid products that deliver long-term care benefits via a life insurance policy or an annuity contract.

**Accident insurance** can come in handy if you have children or you are accident-prone, providing additional coverage and benefits above what a health insurance plan offers. An accident policy can also provide funds to bridge the gap in a high-deductible health plan.

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