

## Risk To Our Bodies By Gary Case

In my last column, I wrote about developing and articulating a risk management philosophy as a necessary component of your financial plan. Your “Risk Management Statement” will be a compilation of several aspects of how you intend to manage the risks you face. As much as possible, you want (and rightly so) to protect yourself against catastrophes to your body, money, and material things. Let’s start with protecting against catastrophes to your body.

When you get sick or injured, not only can you not provide income, but you often must pay for help in overcoming and recovering from the illness or injury. Sometimes full (or even partial) recovery is not possible, so your savings goals and lifestyle goals can be compromised.

It may sound trite, but the best way to begin to manage risk to your body is to be careful! Drive safely, avoid germs, wash your hands, use medications wisely, wear clothing appropriate to the conditions, etc. Follow safety procedures at work and home, and move to less risky work if you can. I sometimes hear “what I do doesn’t affect anyone but me.” I call that the fallacy of youth (or was that immaturity?). For example, does an elderly parent’s potential long-term care cost have an effect on the entire family? How about an expensive surgery on an infant child of a young couple just starting their financial life—without reserves?

Many risks to our bodies can be addressed through insurance. You can purchase health, disability, life, long-term care, cancer & other supplemental policies, insurance to supplement Medicare, future income insurance, etc. A primary concern with respect to purchasing insurance is cost—how much can your family afford to pay for insurance and how much of the risks to your bodies can you afford to assume. For the sake of awareness, it’s important for every one of us to have a conversation with our family about these and other exposures and vulnerabilities in our life and each decide where we desire protection and, ultimately, how much protection we can afford.

Your financial planner can assist you in assessing which risks to your body are greatest in your particular situation and how best to mitigate those risks. One common problem I encounter is families asking to purchase life insurance when the greater risk to family security is the disability of an income provider. Next time I’ll discuss managing risks to your material things.

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