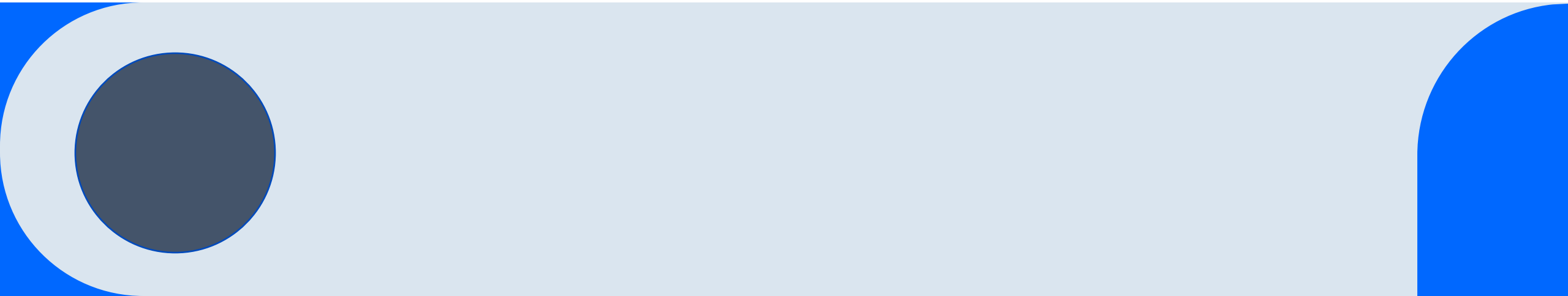
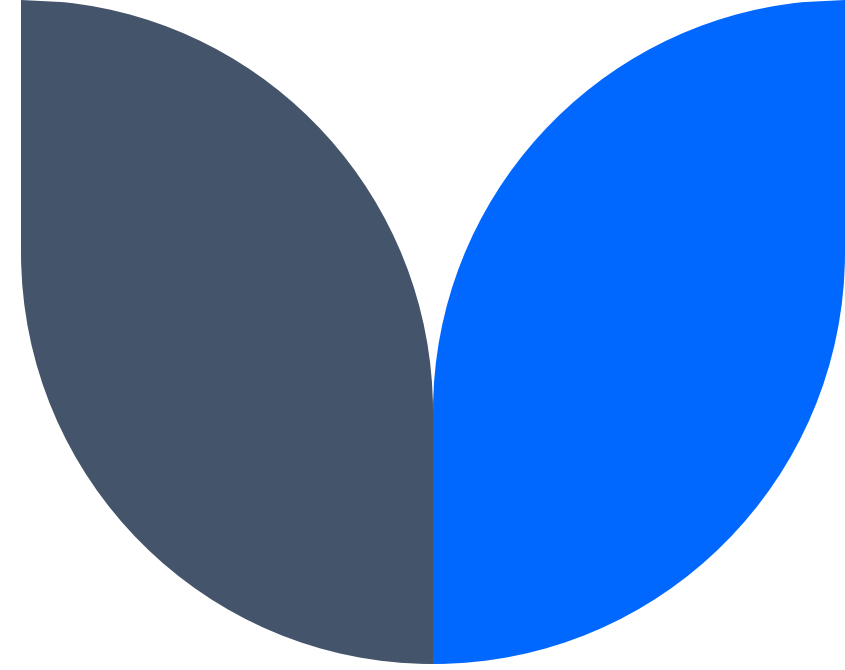




8 TYPES OF
INSURANCE
you can't go without

The graphic features a dark blue background with a white and orange color scheme. The number '8' is large and blue with a white outline. The words 'TYPES OF' and 'INSURANCE' are in white, bold, sans-serif font. The phrase 'you can't go without' is written in a white, cursive font. Surrounding the text are several white line-art icons: an umbrella, a document, a heart with a pulse line, a house, a person with a laptop, a car, and a wheelchair. A small white square with a black 'R' is in the bottom right corner.



Types of Insurance Coverage We NEED

- Auto insurance
- Health insurance
- Life insurance
- Homeowners or renters insurance
- Long-term disability insurance
- Long-term care insurance
- Identity theft protection
- Umbrella policy



**SO, LET'S GO
OVER THE 8
TYPES OF
INSURANCE WE
CAN'T GO
WITHOUT**



Confidence-building strategies

Overcoming Insurance WHOAS

8 Types of Insurance You Can't Go Without





1. Auto Insurance

You probably didn't need us to tell you how important it is to get [auto insurance](#)—chances are, your state requires it anyway. But there *are* a lot of different types of protection in the auto insurance world, and you need to know which ones to include in your policy. These are the three big ones you need:

- **Collision:** If you get in an accident that's your fault, [collision coverage](#) pays for damages to *your* car.
- **Comprehensive:** This level of insurance covers damage to your car not related to wrecks—like theft, fire, glass breakage, flooding and hail damage.
- **Liability:** If you're responsible for an accident, [liability coverage](#) takes care of the other guy's car and any injuries or property damage caused by the collision—and legal fees if the other guy decides to come after you and sue you for some reason. You need at least \$500,000 in liability protection (it's usually only a few bucks more each month).



2. Health Insurance

Yes, health insurance is confusing. Yes, it's expensive. But you need it. Why? Take it from Shannon B., a member of our Ramsey Baby Steps Community on Facebook:

[Do you have the right insurance coverage? You could be saving hundreds! Connect with an insurance pro today!](#)

3. Life Insurance

There are a lot of myths out there about [life insurance](#), so let's set the record straight. Life insurance has one job: to replace your income if you die. (Doesn't that make it death insurance?)

So, while you do need life insurance if someone relies on your income—like children or a spouse—you *don't* need a whole life plan. Instead, take out a *term life* policy for 10–12 times your annual income. With [term life insurance](#), there are no smoke and mirrors or confusing financial maneuvers. It's simply a life insurance policy that provides a payout if you die while the policy is active.

4. Homeowners or Renters Insurance

1. Homeowners insurance provides financial protection for your home and personal belongings. It's really important to have the right amount of coverage since losing your home without a backup plan would mean taking a massive financial blow—one you can't handle on your own.
2. A good [homeowners insurance](#) policy will include the following types of coverage:

- **Extended dwelling coverage:** pays to rebuild your home
- **Personal property:** pays to replace your personal belongings
- **Liability:** covers injuries and damages that happen on your property
- **Additional living expenses:** reimburses your living expenses after the loss of an insured home

5. Long-Term Disability Insurance

The best way to be financially prepared for a *short-term* disability is to save an [emergency fund](#) big enough to cover 3–6 months of your typical expenses. If you ever get sick or injured and have to take time off work for a few months, those savings can fill in the gaps until you get back on your feet.



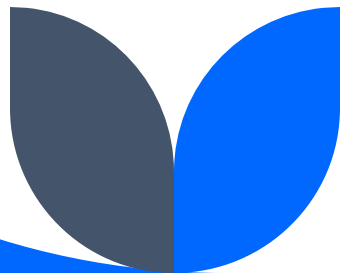
6. Long-Term Care Insurance

Good [long-term care insurance](#) coverage will take care of expenses for assisted living, in-home care and nursing home care if you can't look after yourself. And no, Medicare doesn't cover the costs of long-term care. That's why getting your own coverage is an absolute must for anyone over 60.

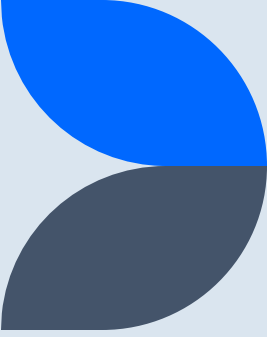


While identity theft protection isn't *technically* an insurance product, it's still really important to have in place. Why? Because [identity theft](#) is becoming more common each year (the Federal Trade Commission got 1.1 million reports of ID theft in 2022), and you'll have a big mess on your hands if it happens to you.⁵

7. Identity Theft Protection



8. Umbrella Policy



An [umbrella policy](#) stacks on top of your homeowners and auto insurance policies to add an extra layer of liability protection for you and your assets. Getting one is a good idea for anyone with a net worth of at least \$500,000.

Why? Because, when you build wealth, you put a target on your butt. Yep, it's true. Some folks will see your financial success as an opportunity to get something from you. And in the lawsuit-happy world we live in, you need to be cautious about that.

Thank you

Key Takeaways

- Insurance is all about transferring risk you can't handle yourself—it's not a savings or investment plan.
- Make sure you have plenty of liability coverage through your auto and homeowners insurance policies.
- Getting life insurance is a must if someone else depends on your income, but *only* purchase a term life policy—*not* whole life.



THE MOST OVERLOOKED PART OF FINANCIAL PLANS

https://youtu.be/xvmzhkigADM?si=9lBD62bDj_7h7mfH