



# Galaria Capital MANAGEMENT

Trust. Transparency. Confidence.

## Life Insurance: Is the 'Cost of Risk Protection' necessarily an 'Uncompensated Loss'?

March 2014

[Financial Topics Newsletter, 1st Quarter 2014 \(Click Here\)](#)

**Dear Client:**

### **Life Insurance: Is the 'Cost of Risk Protection' necessarily an 'Uncompensated Loss'?**

If we think of life insurance payments as 'uncompensated losses', then 'yes', perhaps life insurance may seem like an endless money pit. However, if life insurance payments are viewed as both an investment *and* risk protection, then the cost is seen in a more positive light, useful in the present & future.

So, how are some life insurance policies a present & future investment?

1. Life insurance is ***financial security*** for a family or loved ones. Upon the passing of the insured, the life insurance benefit is paid out to the beneficiary (ies)

**Galaria Capital  
Management, LLC**  
1453 Radcliff Lane  
Aurora, IL 60502

**Phone:** 800.957.1079

**Cell:** 248.212.4252

**Fax:** 800.578.1562

**Email:**

**I. Galaria**

[Galaria@galariacapital.com](mailto:Galaria@galariacapital.com)

**Alzena Saleem**

[asaleem@galariacapital.com](mailto:asaleem@galariacapital.com)

**Website:** (Under Construction)

[www.galariacapital.com](http://www.galariacapital.com)

which helps to ease the financial stress of the remaining family members and/or loved ones.

2. Life insurance provides **risk coverage**. Upon the *untimely* passing of the insured, the life insurance benefit is paid out to the beneficiary (ies) which helps to ease the financial stress of the remaining family members and/or loved ones.

3. Life insurance provides a **tax-free death benefit**. Upon the passing of the insured, beneficiaries receive a tax-free death benefit.

4. Life insurance is a way to **save money regularly**. In order to keep most life insurance policies in effect, premiums need to be submitted on a regular basis and could be used in the present or future.

5. Life insurance could be viewed as a **savings account**. In many life insurance policies, money can be drawn from the accumulated cash value if the insured outlives his/her life expectations.

6. Life insurance, with an appropriate rider in specific policies, can provide **Long Term Care benefits**, so, if the need for long term care arises, the insured has coverage.

Most life insurance policies can be viewed as investments *and* risk protection, however, the specific type of policy or combination of policies and the coverage amounts will vary based on each individual's and/or family's unique situation.

### What is the difference between various life insurance policies?

1. **Term Life:** An insurance policy that covers an individual for a specified period of time and at a specified death benefit. Premiums are usually lower and the policy expires upon the end of the time frame. Premiums usually are forgone. The death benefit is tax-free.
2. **Whole Life:** An insurance policy that covers an individual for his whole life up to a specified death benefit. Premiums are higher than term insurance but



**I. Galaria**  
MD, ChFC,  
AAMS,  
CRPS,  
C(k)P, PPC

Chartered Financial Consultant  
Accredited Asset Management  
Specialist  
Chartered Retirement Plans  
Specialist  
Certified 401(k) Professional  
Pension Plan Consultant  
Registered Investment Advisor



**Alzena  
Saleem**  
CRPS

Chartered Retirement Plans  
Specialist  
Registered Investment Advisor

### Investment Planning

- Active Portfolio Management
- Retirement Planning
- Financial Planning & Education
- Asset Allocation Analysis

### Insurance

- Annuities
- Whole Life, Term Life, Disability
- Long-Term Care

### Small Business Retirement Plans

- Design, Implementation & Management

money can be withdrawn from the accumulated cash value in the policy before the passing of the insured. The death benefit is tax-free.

3. **Variable Life:** An insurance policy similar to whole life but allows for the placement of premiums in a 'separate account' in which there are more investment choices. Premiums are higher than term insurance but money can be withdrawn from the accumulated cash value in the policy before the passing of the insured. The death benefit is tax free.
4. **Universal Life:** An insurance policy similar to whole life but allows for flexibility in premium payments as well as the death benefit. Premiums vary and money can also be drawn from the accumulated cash value in the policy before the passing of the insured. The death benefit is tax free.

Further Questions? Please feel free to call us directly at 1.800.957.1079 or email [Galaria@galariacapital.com](mailto:Galaria@galariacapital.com) .

## Access to Charles Schwab Online

As always, your account information and details are accessible 24/7 via the Charles Schwab website, [www.schwab.com](http://www.schwab.com) . If you haven't already, please be sure to take the time to create a personal "login" on the Charles Schwab website so that you are able to view your accounts. If you need assistance in creating your "login", please feel free to call 1-800-515-2157 between the hours of 8am-7pm EST to access a Charles Schwab service representative who will gladly walk you through the necessary steps.

You will need your account number(s) (listed on the documents mailed to your registered address by Charles Schwab), the account holder's Social Security Number and a computer (to access the Charles Schwab website). This phone call should take approximately 10-15 minutes. If you should have any further questions, please do not hesitate to contact us directly.

-401(k), SEP-IRA, SIMPLE-IRA  
-Defined Contribution Plans &  
More

CONFIDENTIALITY NOTICE: The information in this message, and any file transmitted with it, is confidential, may be legally privileged, and intended only for the use of the individual(s) name above. Be aware that the use of any confidential or personal information may be restricted by state and federal

privacy laws. If you are not the intended recipient, do not further disseminate this message. If this message was received in error, please notify the sender and delete it and its attachments.

[Forward this email](#)



This email was sent to alzenas@hotmail.com by [galaria@galariacapital.com](mailto:galaria@galariacapital.com) | [Update Profile/Email Address](#) | Rapid removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).



GCM | [Galaria-capital@att.net](mailto:Galaria-capital@att.net) | Aurora | IL | 60502