

# SLEEP WELL AT NIGHT

## *My Modern Family*

They say that Barcelona is the gateway to fiestas, tapas, fresh seafood, vibrant shopping (just ask my wife) and home to some of the best people-watching on the “La Rambla.” Well, they were right. Having just turned 50, it felt like the right time to see what all the buzz was about. Sure, I had been to other cities in Europe, mainly Italy, but never to Spain. When I asked V if she had any interest, she stared at me and started packing. “Spain!? As in B-a-r-c-e-l-o-n-a, Spain!?” Yup, she was all in.

Let me clarify – flying for hours and hours away from our kids had filled me with doubt and insecurities. All of the “what ifs” plagued me on the days leading up to our trip. What if Miami wins another game and my son Chase has to watch it alone? What if my sweet little Dylan misses her Daddy? What if Charlie’s regular scooter races turn into a trip to the ER? You get my point.

The fog lifted and my fears were put to rest (not entirely accurate, but I felt better) when I wrapped up things at the office, came home early to shoot some hoops with my boys and we told the kids that Mommy and Daddy would be gone for 10 days. I braced myself for their reaction. At ages 7<sup>1/2</sup> and 5, it was a priceless moment. My daughter, Delaney, looked at me with her big blue eyes and instead of tears, all I got was “Yes! (with a fist pump)...that means TEN gifts! Let me make you a list, Daddy! I want a snow globe, a key chain, a Spanish doll...” and so it goes.

We feel so fortunate to live in America’s Finest City, doing what we love and waking up every day with the choice to live our best lives. If any of you have traveled recently, I’d love to hear your stories so we can feature it in our next newsletter.

Reach me directly at 760-436-1711 or [jim@jimleefinancial.com](mailto:jim@jimleefinancial.com) and don’t be surprised when I kiss both of your cheeks on our next visit. Que te vaya bien as we like to say!

*Jim Lee*



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## FIXED ANNUITIES VS CDS

Why do people choose an annuity over a certificate of deposit?

Do you have a CD down at your local bank? Do you consider yourself conservative with your savings? If so, you may want to take a look at a tax-deferred fixed annuity – a popular choice for many retirees and pre-retirees.

A fixed rate of return ... and so much more. A fixed annuity is another traditional way to earn higher than average accumulation rates. Like a CD, an annuity offers you a guarantee of principal and interest. At the moment, CDs commonly earn 1-1.55% interest.<sup>1</sup> Fixed annuities offer you comparable or better rates of return plus other advantages.

The big advantage is tax deferral. You get tax-deferred growth with a fixed annuity: you earn interest on your money, interest on your interest, and interest on the money you would have paid to the tax man. You only pay taxes on the money in a fixed annuity when you withdraw that money. Contrast that with a CD, where the interest you earn is taxed every year.

The assets in a tax-deferred fixed annuity accumulate at a set rate of growth over a specified or adjustable period. Some fixed annuities even have a first-year “bonus rate”. Accumulations can be paid to you periodically, or you can let them compound. The investment risk is assumed by the insurance company.

A check in the mail for the rest of your life. Really? Yes, that is often the case. Fixed annuities commonly offer you the option of guaranteed lifelong income, in the form of monthly or annual payments through annuitization or an income rider. Many fixed annuities also offer a guaranteed death benefit. Fixed annuity proceeds are even exempt from probate with proper beneficiary designation.

Ask yourself: would you rather have a bank CD that brings you a slight, taxable increase in your money after a period of time, or a tax-deferred annuity that can bring you a guaranteed check for life? Weigh this choice, and you see why so many people choose an annuity.

Now you see why fixed annuities can be very attractive. When you compare the advantages of a tax-deferred fixed annuity to the advantages of a CD, the fixed annuity looks very good indeed. Please call me if you would like to know more about a tax-deferred fixed annuity – a conservative choice that could be great for you financially.



## IS IT TIME TO REWRITE YOUR TERM INSURANCE?

Term coverage is cheap these days. Make sure you don't pay too much.

How much are you paying for term coverage? Term life insurance today is cheaper than it has been in about 20 years, as competition has driven premiums lower and lower.<sup>1</sup> With hundreds of insurance firms offering term policies, it might be time to rewrite yours.

How cheap is term coverage right now? If you're 40, it is possible to pay less than \$1,000 a year – perhaps much less – for a term policy with typical death benefits of \$250,000, \$500,000 or \$1 million. In fact, if you are a 50-year-old male living in California, \$1 million of term coverage for 10 years can be had for as little as \$780 annually, according to Insure.com's November survey.<sup>2</sup>

How can you get the lowest rates? It helps if you

- a) weigh 200 lbs. or less,
- b) have no family history of heart disease or personal history of tobacco use,
- c) have blood pressure in the vicinity of 140/80 and cholesterol below 240,
- d) drive safely with the record to prove it, and
- e) avoid dangerous travel and dangerous activities.<sup>3</sup>



Why have premiums become so inexpensive? You can chalk it up to a few powerful factors: death rates have declined markedly in recent decades, and men are starting to close the life expectancy gap on women. Plus, insurers are going all-out to get your business – advertising online, on the radio, on TV and seemingly everywhere else.<sup>4</sup>

Besides low premiums, what else should you look for? You want a guaranteed renewable policy, which will let you renew your term coverage at the end of the given term without having to undergo a medical exam. You also want fixed premiums for the life of the term, as opposed to a “teaser” premium that rises after a few years. You can buy a term policy lasting 10, 20, or 30 years; the shorter the term, the cheaper the premiums.

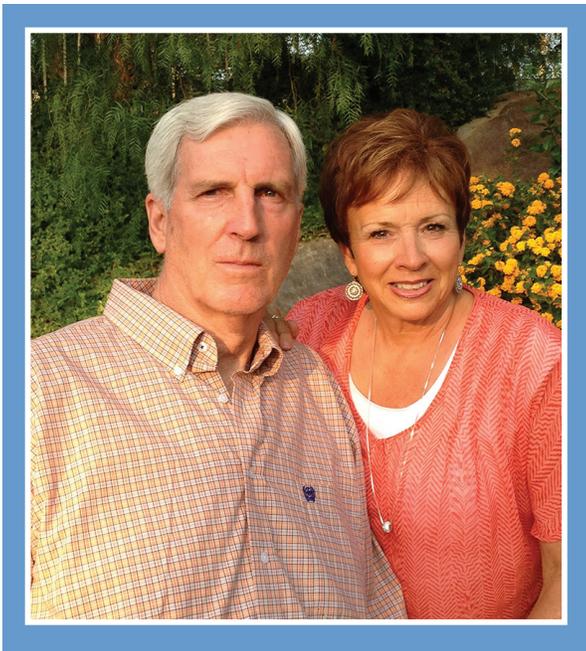
Cheap premiums shouldn't be the only factor in selecting term coverage. There's also the health of the company to consider. Insurance companies do go out of business – it is rare, but it happens. Did you know insurance companies are rated? You can check companies out at insure.com (the online ratings are totally free) and at ambest.com.<sup>3</sup>

How can you save money? Make sure you talk with a qualified insurance advisor who can give you an overview as well as an update on the best rates out there. You may be pleasantly surprised what kind of term coverage you can get today – for less.

## About 20 years ago

Jim called to provide me with information on insurance and to determine if I needed any. He arrived at our home in San Marcos and presented the various plans and I selected what I felt was adequate for our needs. We met several times and I invited him to come play basketball in Escondido after one of his visits. He accepted and showed up and we quickly schooled him. Really he handled the game well and fun was had by all. Over the years Jim has adjusted our insurance needs as my family and business requirements changed.

I always kidded Jim about not being married - He was about 30 when we first met - and he always said he had not found the "Right" one. Finally V entered his life and he was swept off his feet and has been thoroughly enjoying life. Life really took off after the birth of their triplets. He and V have their hands full everyday as they are immersed in all the activities of raising children.



I have been drawn to Jim because of his integrity, honesty, and positive outlook on life that has never wavered during these past 20 plus years of association. Throughout life we are always looking for people we can look up to and would trust completely - whether with family or finances - Jim is one of those people.

- Jay Bunker

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