

THE LAMPPOST

*Mortgage News and
Good Stuff for Life*

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Here Today, Gone Tomorrow

Imagine finding out today that you're about to inherit a million dollars or more. What if I mentioned you were going to come into this amount or even more... provided you kept showing up for work everyday. Most people never stop to think about just how much money they're likely to make during their working careers. Go ahead and do some simple math. Multiply your current annual income by the number of years you plan to work. The amount you're likely to make will be your most valuable financial asset. If this future income is that valuable, doesn't it make sense to protect it? The tool to do this with is long-term disability insurance.



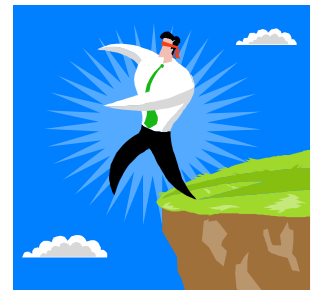
As you evaluate your risk of disability, the question to ask yourself is, "If my paycheck stopped this week how long would I be able to live?" In other words, if you had no more income, how long would you be able to keep paying the rent or mortgage, car payment, insurances, utilities, food, clothing, etc?

Sometimes not being able to see a danger that is very real can give us a false sense of security. More than 25 years ago, I was hiking in the Smoky Mountains with three buddies. We had recently graduated from high school and were on one last adventure together before going our separate ways to college. After reaching a particular summit, the four of us concluded the "marked" trail we had taken up was not sufficiently treacherous to provide the thrills we were seeking.

After inquiring with another hiker at the top who was familiar with the area, we decided to take a more exciting way down. This route required us to climb down a long, narrow ridge to an adjoining peak. As we shimmed our way across the rock ledge, we thought we were fully aware how steep it was on both sides, but a blanket of fog below prevented us from seeing how far down it really was. However, by the time we finally

got across, the fog had begun to lift and we could now see just how close we had been to sheer drops of hundreds of feet.

Often times we are aware of the "edges" in our lives, but we may not fully see just how great the danger is. For example, it's easy to think that becoming disabled for an extended period of time is not likely to happen. However, according to the Commissioner's Disability Table, about 40% of all people age 45 and over will experience a long-term disability sometime before they reach age 65. In fact, the risk of disability is greater than the risk of death at ALL ages between 20 and 65! The statistics clearly show it's much more likely than most of us think!



If you already have long-term disability insurance from your employer and are feeling like you're protected, you may still be close to a dangerous edge and not know it. For example, how does your policy actually define being disabled? Does your coverage define a disability as not being able to work in your "own" occupation or "any" occupation? Does it define the loss of hands or loss of USE of hands? If eligible for benefits, will they be paid to you tax-free or will your benefit be fully taxable? These seemingly small differences can make a huge difference in the amount of risk you're still exposed to, so don't remain in a fog. Talk to a trusted advisor to help you assess the risks you might be exposed to in the event of a long-term disability.



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Don't Listen to the Ding Dongs

"Come on John, live a little!" was the challenge from my wife. I thought about it for a moment and initially decided not to go through with the dare. Instead of sticking with my gut reaction, I gave in to the temptation to impress my wife, and as a result, stranded our family while we were on our vacation.

The time: Summer of 1998. The place: Utah.
The result: Disaster.

We were out in the middle of nowhere. Two hours from any sign of civilization in the middle of the Great Salt Desert. We were on our way out to California to visit our family in our brand spanking new Ford Club Wagon van.

This was not just any van. This was one of those big church vans that holds 15 passengers. Since our 1984 Volkswagon Vanagon (the most underpowered vehicle known to man) had given up on life earlier in the year, we needed a large vehicle to carry our 5 children, their friends and all their relatives. Our new van came without the rear seat so technically it was a 12 passenger van with enough room in the back to load half of our house. We did our best to fill it up with all the baby and toddler accessories, luggage, food, and sports equipment you could imagine. At the time our pathetic vehicle died, there were two Ford Club Wagons available in the whole Twin Cities. We chose the one with a V-10. You can never have enough power to carry all that stuff.

Back to the story. The night before "The Incident" our family listened to a children's story talking about temptation. The fictional tale shared how "Ding Dongs", beings from outer space, were trying to get Earthlings to do the wrong thing. Our young family had a short discussion about how we are tempted every day to do things we shouldn't and talked about how we use our minds to identify temptations and say "no". Little did Daddy know, that the very next day, he would fall victim to the Ding Dongs.



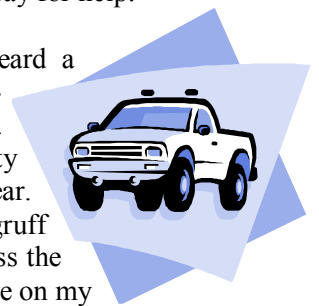
While driving on a barren stretch of I-80, one of the most boring drives on planet Earth, we noticed tire tracks on the desert floor. Eloise, my adventurous wife, declared that we should take the van out on the desert and drive around a little. It would "spice up the drive" she said. I thought, "No way! That's the kind of thing that teenagers do and end up getting into trouble." Being the steadfast, responsible guy that I am, I refused, ignoring the "you're so boring" look from my wife.

Then, a couple of our boys announced that they had to go to the bathroom. We were at least two hours from the nearest gas station. So I pulled over to the side of the road to let them do their thing. As I sat there, this phrase kept going through my mind, "C'mon John – live a little!" This progressed to "I'll show Eloise how exciting I can be." I didn't want to live life as a stick in the mud, so turning the van 90 degrees I proceeded to drive the van down a slight embankment and onto the desert floor. I was going to rumble around a bit in my boss V-10 Ford Club Wagon and impress my girl. I didn't get far. What I didn't know, was that it had rained the night before and underneath the salt floor was a gooey, sticky trap. The van plunged head first into the muck submerging the front grill about three feet into the desert floor.



I couldn't believe what had just happened. I put the van into reverse thinking that my massive V-10 engine would pull us out with ease. The rear tires spun and burned rubber, but the van didn't budge. I pleaded quietly, "Oh God, Oh God, I blew it. Please get us out of this mess!" Trying to maintain my composure, I called AAA in Salt Lake City. The wait was hours long, so I rifled through the back of the van, got out the only tool I could find, a Frisbee, and began to try to dig us out. It was as effective as trying to count the hairs on your dog. I began to fervently pray for help.

About 15 minutes later, we heard a rumble, and a giant white pick-up truck pulled in behind us. This was one of those heavy duty trucks with four tires in the rear. The driver, a middle aged gruff looking cowboy, got out to assess the situation. He took one look at me on my knees scooping mud with a Frisbee and said, "I'm not even going to ask." He proceeded to pull out two large industrial sized chains and hooked them up to the back of our van. Just as my mouth was opening to ask him the obvious question, he declared, "I've got three kids." His truck pulled us out with ease and after a few minutes of clean up we were back on the road again.



I learned two things that day. First, don't listen to the Ding Dongs (even if they are in the form of your spouse). There's enough temptation out there for other people to do dumb things. Second, adults shouldn't try to act like teenagers. It's OK to be a little boring. As we have grown older, Eloise has learned to appreciate my "boring" qualities. It's saved us from more than a few "incidents".