

The Meridian Median

This Month's Advice

An excerpt from Kiplinger's "5 Medical Conditions that Raise Life Insurance Rates Most"

When it comes to setting life-insurance rates, insurers want to know how healthy you are to determine how much of a risk you'll be to insure. Having a health problem doesn't necessarily mean your rate will be outrageous, but you likely will pay higher premiums than your healthy peers. How much more you'll pay depends on your condition.

Insure.com has put together a list of the top five most expensive medical conditions when you're buying life insurance. If you have one of these conditions, see **Get the Best Rates on Life Insurance** for tips so you won't pay more than you have to.

1. Heart disease. This condition will affect life-insurance rates most. Even having a family history of heart disease can force you to pay a higher premium.

2. Diabetes. People with Type I diabetes that developed during childhood will have higher

continued on page 2



*To My Clients:
A Message from
Jim*

I hope everyone is having a good summer and enjoyed the holiday. The markets just ended a very turbulent month of June but finished on a high note. The S&P rallied 3% in the last week and finished down 1.9% for the month. The other averages finished the month down approximately 2%. This is indicative of the view that the economy has slowed in the second quarter. However, recent data supports slightly higher growth and we have begun to see the averages rally. They could approach the high point for the year of 1370 for the S&P 500 during earnings season in July.

There is definitely a rebound in global growth from the natural disaster in Japan that probably reduced our GDP by 1% in the second quarter. This will continue through the third quarter where growth will probably rebound toward 3%. If growth does accelerate expect the S&P to rise 10% for the year. This is consistent with our forecast back in December of 2010 and the expected rise in corporate earnings. Whether that

continued on page 2, 2nd col.

Money beats: Year to Date Performance Percentages

Domestic Indexes

<i>Dow Jones Industrial Average PR</i>	8.4
<i>NASDAQ Composite</i>	4.6
<i>Russell 2000</i>	6.3
<i>Standard & Poor's 500</i>	5.0

Foreign Indexes

<i>MSCI AC Far East ex Japan ID</i>	-1.3
<i>MSCI EAFE NDTR_D</i>	4.9

Bond Indexes

<i>Lehman Brothers Aggregate Bond</i>	2.7
<i>Lehman Brothers Mortgage-Backed Bond</i>	2.7

Advice continued from p.1

rates -- and sometimes trouble finding a company that will insure them. People with adult-onset diabetes who can manage their condition through medication or diet have lower rates.

3. Cancer. The type you have, the severity and treatment received affect your premiums. For example, an external sun-related lesion may have little or no impact on your rate. See *Getting Life Insurance After Cancer* for more information.

4. Obesity. Because obesity and several other health conditions go hand in hand, insurers take your weight into consideration. However, weight ranges to qualify for the best rates vary from company to company.

5. Pulmonary disease. Expect to pay a higher premium for life insurance if you have had life-long asthma (not seasonal asthma).

To My Clients continued from p. 1

level can be sustained will depend on the financial condition across Southern Europe and continued global growth that will reduce US unemployment and restore consumer confidence. Since the last client rebalancing we have maintained a fully invested position going into this market recovery that should allow equity portfolios to keep pace.

Unfortunately interest rates have begun to edge upward and the Barclays bond index fell .3% during the month. Bonds will be impacted in the short run by the Fed's ending of QE2 and the expected higher growth in the second half of 2011. We saw a decline in bond prices and mutual fund values during the month and this could continue going forward. To combat this we have overweighted convertible bonds and high yield bonds. Also we have positions in floating rate securities that should rise with increases in interest rates and shortened the maturities of the bonds and preferred stocks we do hold. This is the strategy we have employed since the beginning of the year and if we do get the growth acceleration that has been expected it should help hold the values in the fixed income portfolios.

I know it is disappointing to see that performance has not kept pace in the first half of the year with the volatile S&P 500. The majority of the difference has been the underperformance of our international investments and the relative performance of our US mutual funds. I

In order to improve in the second half we have moved up 30 days our normal mutual fund quarterly review and will be rebalancing accounts with mutual funds by asset class that are expected to perform better in the second half of 2011. Also emerging markets and a stabilized Europe could outperform the US in the second half of the year.

If you have any questions or would like to discuss your account please call me at 231-237-9715 or email at jamescar@meridian-advisory.com.