

Insurance, Wills, and Trust

Insurance and Pre-Planning



Life Insurance and Funeral Cost

In most all cases, at the time of death, life insurance benefits can be assigned to the cemetery and/or funeral home to cover the costs. Although the idea is good, because of inflation, many times the cost of the

burial and funeral service is greater than the benefit from the insurance policy and the family still has to pay some portion out of pocket. Sometimes family members are not sure of the value of the policy, the location of the original policy or the steps to obtain the benefits.

Term Life policies do not increase in value with the life of the policy and are only good for the period of time contracted – The **Term** policy and may not prove to be a valuable investment over time. Some people out live the term of the policy and there is no value at the time of death.

Whole Life insurance does not have a term limit, and won't expire as long as the premiums are paid. Whole Life insurance also has a savings feature that is invested and has the potential to grow over time. In most cases you can borrow against the cash value in a whole life policy while you're alive.

Both whole life and term insurance are more expensive as your age increases. Once you enter your 60s, if you want or need life insurance and you're not already locked into a term policy, you may have no other option but to buy a more expensive whole life policy. Many insurers won't sell term policies to people 65 and older.

Time Magazine estimates the cost of burial arrangements; funeral home and cemetery to be \$19,533 in 2010 and will increase over 68% in 20 years, 2030 to \$62,513.00.

For effective pre-planning, leave the insurance for the living and make your burial arrangements ahead of time and SAVE the money that has been invested in life insurance for your family and estate.

Wills and Pre-Need Planning

A Will is a legal document that provides many estate planning benefits, as it lets you specify how your property will be distributed when you die. A Will is essentially your instructions and wishes, written according to legal rules, so they can be followed when you are no longer here. For many people, a Will is part of a complete estate plan.

Why you should have a Will

There are several important reasons to have a Will:

- Name your beneficiaries. These are the people and charities to whom you want your property to go when you die.
- Select a guardian for your children in case you and your spouse die while they are minors. The guardian will raise your children and manage their money until they reach adulthood.
- Select an executor. The executor will oversee your estate's financial affairs during the probate process, including making sure your debts are paid and that your property is distributed according to your will.
- Set up a trust. This can help save on taxes.



***Plan today...
for tomorrow's Future.***



When a Loved One does not have a Will

People who die without a will are referred to as dying "intestate." If you die intestate, your property will be distributed according to state laws of intestate succession. Generally, property goes to your surviving spouse and children. If you have no spouse or children, other relatives become entitled to receive your property depending on state law. If none of these relatives are alive, your property may go to the state. When property is distributed under state law, it might not be distributed the way you want. The law divides your property without regard to what a recipient needs or how much they need. Also, people who you might not want to get any of your property may receive some of it.

In addition, if you die without a will, the critical decision of who will be your children's guardian and who will be the executor of your estate will be left to a judge.

Everyone Needs a Will

It's still a good idea to have a will regardless of your wealth or income. Even if you don't have much property, you likely still want to make sure the property you have goes to the friends, relatives and charities that you want to receive it. By having a will, you will have the peace of mind knowing your property is distributed the way you want, that the person serving as executor is your choice, and that your children will be raised by the person you want to raise them should you and your spouse die while they are minors.

The Will is executed only at the time of Death

While you are alive, you can always sell or give away property that is mentioned in your Will.



The Will covers everything except:

- Life insurance; Money from life insurance goes to the person named as the beneficiary in the policy.
- Living trust; Property in a living trust goes to the beneficiaries in the trust.
- Joint tenancy property; Property you hold with someone in joint tenancy automatically passes to that person when you die.
- Retirement plans; Money from a retirement plan goes to the person named in the plan as the beneficiary.

Wills can be changed at any time

You can change your Will any time while you are legally "competent." You should consider changing your Will when: there's a birth or death in your family; your financial condition has changed significantly; you move to another state; you want to name a new guardian or executor; you marry or divorce; you want to add or remove beneficiaries; you want to reallocate how your property will be distributed; or if your Will was made long ago and may not be up-to-date with current tax and other laws. Even if none of these events has happened, it is still a good idea to review your Will yearly to make sure it is up-to-date with your current wishes stated.

There are two ways to change your Will. One way is to add an amendment to your Will. This is called a “codicil.” Another way is to make a new Will that replaces all prior Wills. Codicils and new Wills must be prepared according to legal requirements.

Legal Assistance in making a Will

It is best to seek legal help in making a Will. Laws for making Wills are specific, and you will want to make sure everything is done right. If your Will does not meet the legal requirements, it could be subject to a challenge and all or part of it may be invalidated by a court. Also, lawyers can explain how estate taxes affect you and advise with regard to any tax consequences to your family.

In preparation of making a Will, make a list of all the property you own. This includes your home, money in the bank, stocks and bonds, cars, jewelry, collectibles, any business you own, and any property you own together with others. Also list your family members, loved ones and close friends. Think whether you want certain people to receive specific items.

Storing the Will

Your Will should be kept in a safe place, like a safe deposit box at a bank or in your lawyer's safe. Your executor as well as your close friends and family members should know the location of your original Will.