LEGACY®
ASSURANCE PLAN

THE 4 COMMON ESTATE PLANNING CHOICES

Which one is best for you?

In general, there are four basic estate planning choices. Each option has advantages and disadvantages. However, the best choice for almost everyone is to create a comprehensive estate plan.

Most people know that they should have an estate plan but do not know where to start. It can be helpful to simplify your estate planning choices into four options.

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Let's examine each of these options and consider their pros and cons.

OPTION 01

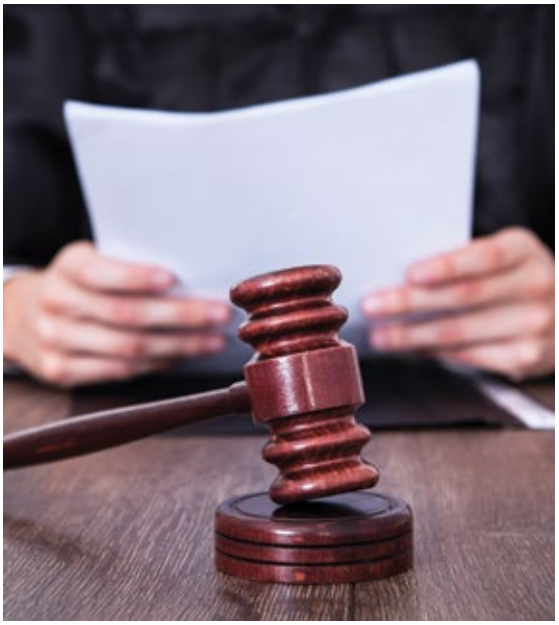
TAKING NO ACTION

Taking no action is, unfortunately, the most common estate planning strategy. It is estimated that as many as 70% of Americans do not have any estate planning documents. When you make this choice, you leave behind no information or instructions regarding your care or assets at incapacity, end of life and death.

What happens when you take no action?

When you die without a will or other estate planning documents, the law refers to it as dying intestate. Your state's intestate laws act as a default plan and determine who gets your property. Each state has its own laws, but in general only spouses and blood relatives will inherit. The court will decide who will be appointed as guardian and conservator of any minor children.

If you become incapacitated due to illness or injury, the court will appoint a guardian or conservator. The guardian may be authorized to make legal, financial and health care decisions on your behalf. This individual may be a family member or a trained professional, such as an attorney.



Advantages of taking no action

There are two primary advantages of not creating an estate plan, although not the recommend option.

- **It is the easiest choice.**

  When you choose this option, there is nothing that you have to do. You do not have to meet with anyone or pay any money upfront. The state intestacy statutes and courts make all the decisions for you.

- **For some families, the intestate statute matches their undocumented wishes regarding the distribution of their assets.**

  This situation arises most often with very traditional families.

> ***When you make this choice, you leave behind no information or instructions regarding your care or assets at incapacity, end of life and death.***

Disadvantages of taking no action

There are many negative consequences of not making an estate plan. The main disadvantages include:

- **Your wishes for the management and distribution of your property are unknown and undocumented.**

  Although thinking about death is uncomfortable, if you fail to create an estate plan, your wishes will remain unknown. Telling someone how you want to give your property away is not sufficient because these instructions will not be enforceable in court.

- **You are unable to leave property to a charity, church or non-relative.**

  The court will strictly follow the state's intestacy statute. Intestacy laws never leave property to charities, church organizations or someone not a blood relative.

- **It is generally the most expensive option.**

  Dying without an estate plan has various hidden costs. First, there are increased court and attorney fees, and your appointed estate administrator will be required to pay a surety bond. Additional resources will have to be spent locating and investigating assets and potential heirs. You will also miss out on tax-saving strategies that you could have taken advantage of through comprehensive estate planning. Finally, when your wishes are unknown, there is a much greater chance that family disputes will arise and result in expensive litigation.

- **The distribution of your inheritance will be delayed.**

  When you die without a will, your property must go through probate. Probate can be time-consuming, especially if there is no estate plan, and additional time must be spent identifying and locating assets and potential heirs.

You will have no control over who acts as the guardian for minor children at your death.

As a parent, you know what is best for your children. However, if you die without a will, the court will pick a person to act as a guardian for your minor children. This person could end up being someone who you would not have wanted to raise your children. Furthermore, the court will appoint a conservator to manage your child's assets. Your child will receive their inheritance as a lump sum when they reach the age of majority, even if they are not yet mature enough to handle this gift.

There is no plan for incapacity and end-of-life care.

When you become incapacitated without powers of attorney, advance directives and other estate planning documents, your family will have to petition the court to appoint a guardian or conservator to manage your financial and medical decisions. You will have no control over who the court picks. Additionally, you will have no control over your end-of-life care, such as whether you want to be placed on a ventilator or feeding tube.

It puts additional stress and frustration on your family during an already difficult time.

With your wishes left unknown, there is an increased risk of family disputes arising. Even if there are no disagreements, your family will have to spend additional time and costs getting your estate in order.

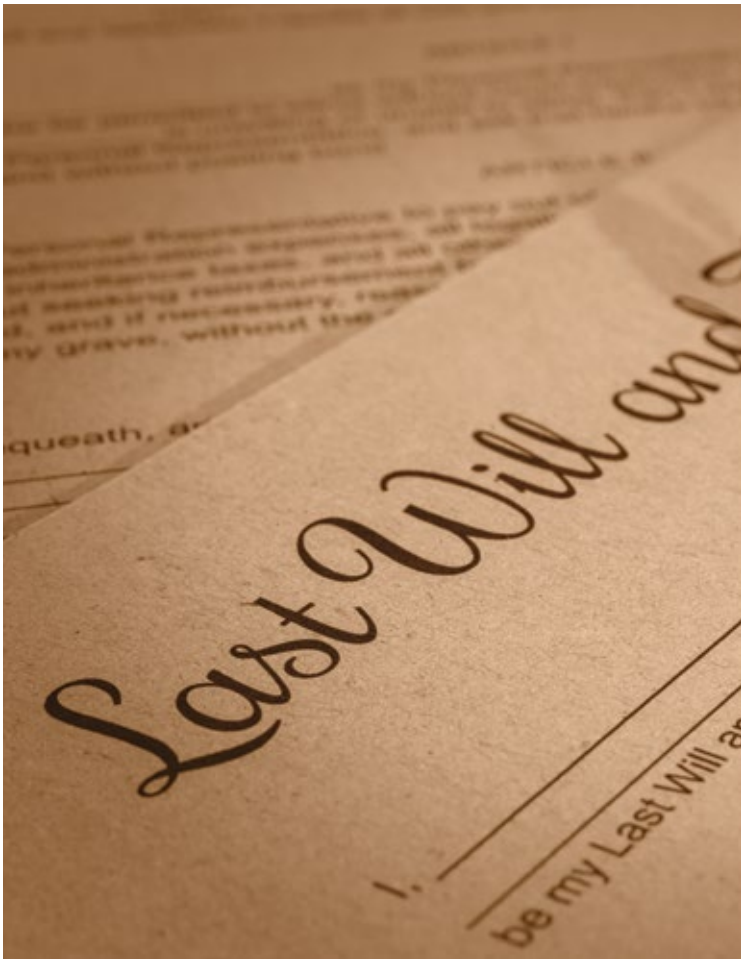
Neither you nor your family has any control over the distribution of your property at your passing.

When you die without a will, the court controls the process of distributing your property. The court must follow your state's intestate statutes. These statutes are based on the traditional family structure. The court never makes exceptions, no matter what the family situation. Every state has its own statute, but typically property is passed first to a surviving spouse and then to surviving children. If there is no surviving spouse or children, the property passes to other blood relatives, including parents and siblings. If you are in an unmarried relationship, have children from subsequent relationships or have beneficiaries who cannot manage funds for some reason, your state's intestate laws will most likely not match your wishes.

OPTION 02

CREATING ONLY A WILL

If you do any estate planning, creating only a will is the most common choice. Often, people who only make a will use a do-it-yourself online service. Although generally better than taking no action at all, the result is an incomplete estate plan. There is no planning regarding incapacity and end-of-life care.



What happens if you only create a will?

When you die with only a will, your estate must go through probate. Probate is the court process that validates the will and oversees its execution.

If you become incapacitated with only a will, your loved ones will have to petition the court to make financial and medical decisions on your behalf. Usually, a family member is chosen, but sometimes the court appoints a neutral trained professional to act as guardian or conservator. A will only takes effect after your death and has no controlling authority over matters that take place during your lifetime.

> ***Your will communicates your final wishes to your loved ones. Because your desires are known, there is a much lower chance that your family members will fight.***

What are the advantages of only creating a will?

In general, there are five benefits to creating an estate plan that only includes a will.

You have control over who receives your property and how it is divided.

When you have a will, the court will not apply state intestate laws. Instead, you can choose the people you want to inherit your property, including unmarried partners, children from previous marriages, close friends, charities and others who would likely be disinherited under intestate laws. Additionally, you can leave particular items, such as jewelry or family heirlooms, to specific individuals.

You make known your wishes regarding the distribution of your property.

Your will communicates your final wishes to your loved ones. Because your desires are known, there is a much lower chance that your family members will fight.

You can name a guardian for your minor children.

In your will, you can designate a person you trust and who you know is willing and able to care for your children if you die.

You can select the personal representative who will oversee the distribution of your assets.

In your will, you choose a responsible personal representative to oversee the administration of your estate. The job can be time-consuming and requires a trustworthy individual willing and able to perform their responsibilities.

Usually, creating a will is less expensive than dying without one.

You typically must pay an upfront cost when making a will. However, this fee is generally lower than the various costs of dying intestate.

What are the disadvantages of only creating a will?

The three primary disadvantages of creating an estate plan that only includes a will are listed below.

There is no plan for incapacity.

As mentioned, a will only controls the distribution of your assets after your death. It has no effect while you are alive, even if you become incapacitated. If you cannot manage your affairs or assets because of an illness or injury, the court will have to appoint a guardian or conservator. The court process costs money and can be time-consuming. Your loved ones can petition the court, but the court makes the final determination on who will act as your guardian. The chosen individual may end up being someone you do not trust to make important medical and financial decisions on your behalf.

There is no plan for end-of-life care.

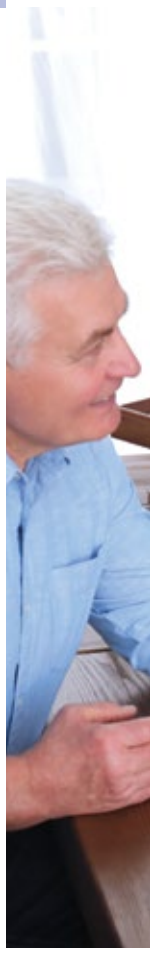
A will does not include instructions for your end-of-life care. Rather, you include information regarding end-of-life care in an advance directive. Your wishes regarding life support, CPR, feeding tubes, dialysis, palliative care, organ donation and related preferences remain unknown. Your family will be forced to make these emotional choices with no guidance.

Your estate is subject to probate.

Wills are required to go through probate. There are several disadvantages of going through the court-supervised probate process, including:

- The court process takes time, and the inheritance to your heirs will be delayed.
- There are increased costs due to court, attorney and administrative fees.
- It is a public process.
- It increases the risk of litigation, as any interested party can contest the will's validity.

> ***A will only controls the distribution of your assets after your death. It has no effect while you are alive, even if you become incapacitated.***



OPTION 03

CREATING A WILL AND POWERS OF ATTORNEY

The third option is to create an estate plan that includes a will and powers of attorney. Individuals who meet with a general practicing attorney in their community instead of an estate planning professional usually choose this option.

What happens if you create a will and powers of attorney?

When your estate plan includes a will and powers of attorney, your estate will be probated and your property distributed based on the directions in your will. If you become incapacitated due to illness or injury, the agent you selected in your powers of attorney will be authorized to make medical and financial decisions on your behalf.

What are the advantages of creating a will and powers of attorney?

Some advantages of creating a will and powers of attorney are as follows:

- **You have control over the distribution of your assets.**

  Your will and not your state's intestacy laws control what happens to your property at death.

- **Your wishes regarding the distribution of your assets are known and documented.**

  When your wishes are recorded in a will, it reduces the likelihood of family disputes.

- **You can name a guardian for minor children.**

  A will allows you to designate a guardian and conservator of minor children in the event of your passing.

- **You can select the personal representative who will oversee the distribution of your assets.**

  In your will, you can appoint a trusted individual to act as personal representative.

- **You can select the agent who will manage your assets if you become incapacitated.**

  In a financial power of attorney, you can appoint an individual to manage your financial affairs if you become incapacitated. You can give them the authority to conduct all financial matters or only grant specific powers such as filing taxes and handling banking transactions.

- **You can select the agent who will make health care decisions if you become incapacitated.**

  In a health care power of attorney, you can appoint an individual to make health care decisions on your behalf if you become incapacitated. You avoid the necessity of guardianship or conservatorship and help lower the likelihood of family disputes.

What are the disadvantages of creating a will and powers of attorney?

Although including powers of attorney in your estate plan is better than only having a will, there are several downsides to picking this option. The disadvantages of only making a will and powers of attorney are listed below.

- **You leave no instructions for end-of-life care.**

  A health care power of attorney does not include instructions for end-of-life medical care. These instructions are included in an advance directive, also known as a living will.

- **Some financial institutions are reluctant to accept the authority of an agent under a power of attorney.**

  This issue arises most often when you do not use the form provided by the bank or other financial institution. There are other estate planning options included in a comprehensive estate plan, such as a revocable trust, that allow an individual to handle your assets if you become incapacitated.

- **After your passing, no one is authorized to manage your assets or access your bank accounts until a personal representative is appointed.**

  A financial power of attorney goes into effect while you are incapacitated. It has no authority after your death. No one can manage your assets or access bank accounts until the personal representative is appointed, which can take several weeks. The delay can put stress on heirs who do not have the financial resources to manage the estate on their own.

- **Your estate is subject to probate.**

  Wills are required to go through probate. Probate can cause delays, additional expenses, and privacy concerns. Additionally, it opens the estate up to disputes.

- **If you own real estate in multiple states, ancillary probate cases will need to be opened in each state.**

  Not only is your estate subject to probate, but if you own property in multiple states, additional probate cases must be opened in each state. This increases expenses and causes delays in the estate's administration.

OPTION 04

CREATING A COMPREHENSIVE ESTATE PLAN

The fourth and final option is to create a comprehensive estate plan. A comprehensive estate plan includes documents that address the three major planning issues: incapacity, end-of life care and asset management and distribution at death. Examples of legal documents included in this type of plan are a pour-over will, revocable living trust, powers of attorney and an advance directive. It is the option frequently suggested to people who meet with an experienced estate plan attorney.

> ***Having a revocable trust in your estate plan ensures that your loved ones will not be confronted with objections from financial institutions refusing to accept a power of attorney.***

What happens if you create a comprehensive estate plan?

If you create a comprehensive estate plan, your wishes for incapacity, end-of life care and property distribution and management will be known and documented. You are in control of how your estate is handled and decisions made if you become incapacitated.

What are the advantages of creating a comprehensive estate plan?

There are several advantages of making a comprehensive estate plan.

You can avoid probate in your resident state and any state you own property.

Avoiding probate means also avoiding the associated expenses, delays, hassles and loss of control. Asset distribution after your passing will follow your directions without the involvement of a probate judge.

You select the agent authorized to make medical decisions and manage property at your incapacity.

Having powers of attorney avoids the need for guardianship and conservatorship and the delays, costs and loss of control that comes with it.

You can include instructions for the management of your assets at incapacity.

If you become incapacitated due to illness or injury, your bills must still be paid and property managed. In a comprehensive estate plan, you can include instructions on who should manage your property and how they should manage it. One document that you should consider including is a revocable trust. In the event of your incapacity, your successor trustee will automatically take control of trust property. Having a revocable trust in your estate plan ensures that your loved ones will not be confronted with objections from financial institutions refusing to accept a power of attorney.

Your end-of-life care decisions are known and documented.

Taking the time to document your end-of-life care instructions in an advance directive not only ensures that your wishes will be followed, but also relieves your family of having to make these decisions themselves.

You can take advantage of tax-saving strategies.

When you create a comprehensive estate plan, your attorney will educate you on the many tax-saving strategies that you may be able to take advantage of. These tactics could include a combination of trusts, tactical account creation and lifetime giving.

The distribution of your property after your passing is kept private.

When a will is filed for probate, it becomes part of the public record and is accessible to everyone, including disinherited heirs, your community members and creditors. In a comprehensive estate plan, you can create a pour-over will, and through a combination of trusts, jointly owned property and beneficiary accounts, the distribution of your property can remain completely private and hidden from the public's prying eyes.

It protects minor children.

In a comprehensive estate plan, in addition to naming a guardian to care for your children, you can create a trust to hold assets for your minor children. The trust will name a trustee to manage, invest and distribute assets to the minor child as you instruct. It may require distributions for the education, health and maintenance of the child. Additionally, the trust does not have to automatically end when the child reaches the age of majority. A comprehensive estate plan can also include trusts to protect beneficiaries that are disabled or otherwise unable to manage their finances.

It eases stress and frustration on your family.

A comprehensive estate plan is one of the greatest gifts you can give your family. Your wishes will be documented and known, and the potential for family disputes and litigation is significantly reduced.

What are the disadvantages of creating a comprehensive estate plan?

Disadvantages of creating a comprehensive estate plan include:

- **It is usually more expensive upfront.**

  Creating a comprehensive estate plan generally has the highest upfront costs. You must pay an estate planning attorney and potentially other professionals to make the estate plan. There may be additional costs as the plan is periodically reviewed and updated. However, this investment can result in significant savings in the long run.

- **It requires an investment of time both upfront and periodically.**

  A comprehensive estate plan requires ongoing maintenance. It must be reviewed, as needed, every 12 to 18 months.

- **Your trust must be funded to be effective.**

  A trustee only has authority over assets that are owned by (funded into) the trust. Any unfunded assets without beneficiary designations are subject to probate.

WHAT ESTATE PLANNING CHOICE IS BEST FOR ME?

For almost everyone, the best choice is to create a comprehensive estate plan. The many advantages heavily outweigh the very few disadvantages of creating an estate plan that includes a will, trusts, powers of attorney, an advance directive and other related documents.

The process of creating a comprehensive estate plan does not need to be stressful. When you work with qualified estate planning professionals, like a Legacy Assurance Plan Network Attorney, you will be guided through the process to create the best plan for you and your family. A comprehensive estate plan is one of the best gifts that you can give to your loved ones.

How do I create an estate plan?

There are numerous options and scenarios to consider when developing an estate plan that protects your legacy and achieves your objectives, and important decisions should be made with the advice of qualified lawyers and financial experts. Membership with Legacy Assurance Plan provides members with valuable resources and guidance to develop comprehensive estate plans that take life's contingencies into consideration and leave a positive impact for generations to come. Legacy Assurance Plan members also receive peace of mind that a team of trusted, experienced professionals will assist them in developing legal, financial, and tax strategies that will meet their needs today and for years to come through periodic reviews.

LEGACY ASSURANCE PLAN IS A MEMBERS-ONLY ESTATE PLANNING SERVICES PROVIDER

At Legacy Assurance Plan, our process begins with educating you on a variety of estate and business planning issues. Our primary focus is to help guide our valued program Members through the planning process by providing them with access to the many resources necessary to help make their goals a reality. But our commitment doesn't end there, because once your plan has been established, we're not only here to help you, we'll also be here to help those you care about later.

Learn more at **legacyassuranceplan.com**

Call us at **844-445-3422** or email **info@legacyassuranceplan.com**

Legacy Plan membership provides exclusive access to a group of services, benefits, professionals and providers to assist with the creation of a complete estate plan. A complete estate plan includes legal documents, a financial plan, guidelines to successors, organization of information and periodic reviews and updates, all of which are facilitated by Legacy Plan.

Members receive access to a number of resources needed to create a complete estate plan.
The 3 primary resources are:

1. A qualified estate planning attorney.
2. The estate planning documents needed to achieve your goals and objectives.
3. A lifetime of services and benefits, including estate plan document delivery and notarization, assistance with estate plan funding, beneficiary review and designation assistance, access to a financial professional, periodic plan reviews, replacement legal documents at a nominal cost and an estate settlement consultation with survivors.

Whether your goal is protecting your family from the costs, delays, publicity, lack of control and hassles of probate, providing for a disabled child when you no longer can or keeping your business in the family, Legacy Assurance Plan can provide you with the information and resources you need to reach your family's goals.

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