

Planning for the Worst

By Arthur Rottenstein, Registered Securities Principal

It's the type of topic we'd rather not think about - too reminiscent of our own mortality. No one wants to contemplate the possibility of a spouse's death. And no one wants to talk about how the survivor will sort out the final details. Did you know that three out of four Americans die without a will, and financial planners estimate that at least half of us are underinsured or not insured at all?

The death of a spouse or loved one is horrific enough, yet it is during this period of emotional upheaval that we make some of our most important financial arrangements. You're expected to make important decisions at the worst time of life. No matter how relaxed you feel or how much you think it's not going to happen to you, you still should sit down and talk about it. Unfortunately, planning often necessitates asking hard questions.

What can you do now? Here are some guidelines:

Get a will. A will is the foundation in determining how personal and real property in an estate is divided. A will also can name a guardian to care for minor children, in the event both parents die. Hiring an attorney to write your will is relatively inexpensive - \$100 to \$300 - if you do not have a complicated or large estate.

Write a letter of instruction. This is not a legal document; it's a list of everything the deceased person owns and owes and where it can be located. It should list the location and policy numbers of life insurance, mortgage insurance, checking and savings accounts, investments, real estate titles, stock certificates, safety deposit boxes, credit cards, motor vehicle titles, employee benefits, debts and other personal property.

Purchase enough life insurance to ensure your family will be taken care of. How much you need depends on your age, your assets, how many years you want to provide for your family and your current lifestyle. It is best to consult a financial advisor or insurance agent to determine the proper coverage for your particular situation.

Maintain a relationship with a lawyer, an accountant, and a financial advisor. It's much easier to deal with unexpected problems when a professional knows your situation ahead of time. Experts can also provide you with timely advice, such as whether you need a trust to protect your assets from taxes.

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Arthur Rottenstein is a Registered Securities Principal with Raymond James Financial Services in Boca Raton. He has been helping people with financial planning since 1982. Please feel free to call Arthur at 954.341.7209 or email arthur.rottenstein@raymondjames.com. Please also feel free to visit his website at coralspringsfinancialplanner.com.