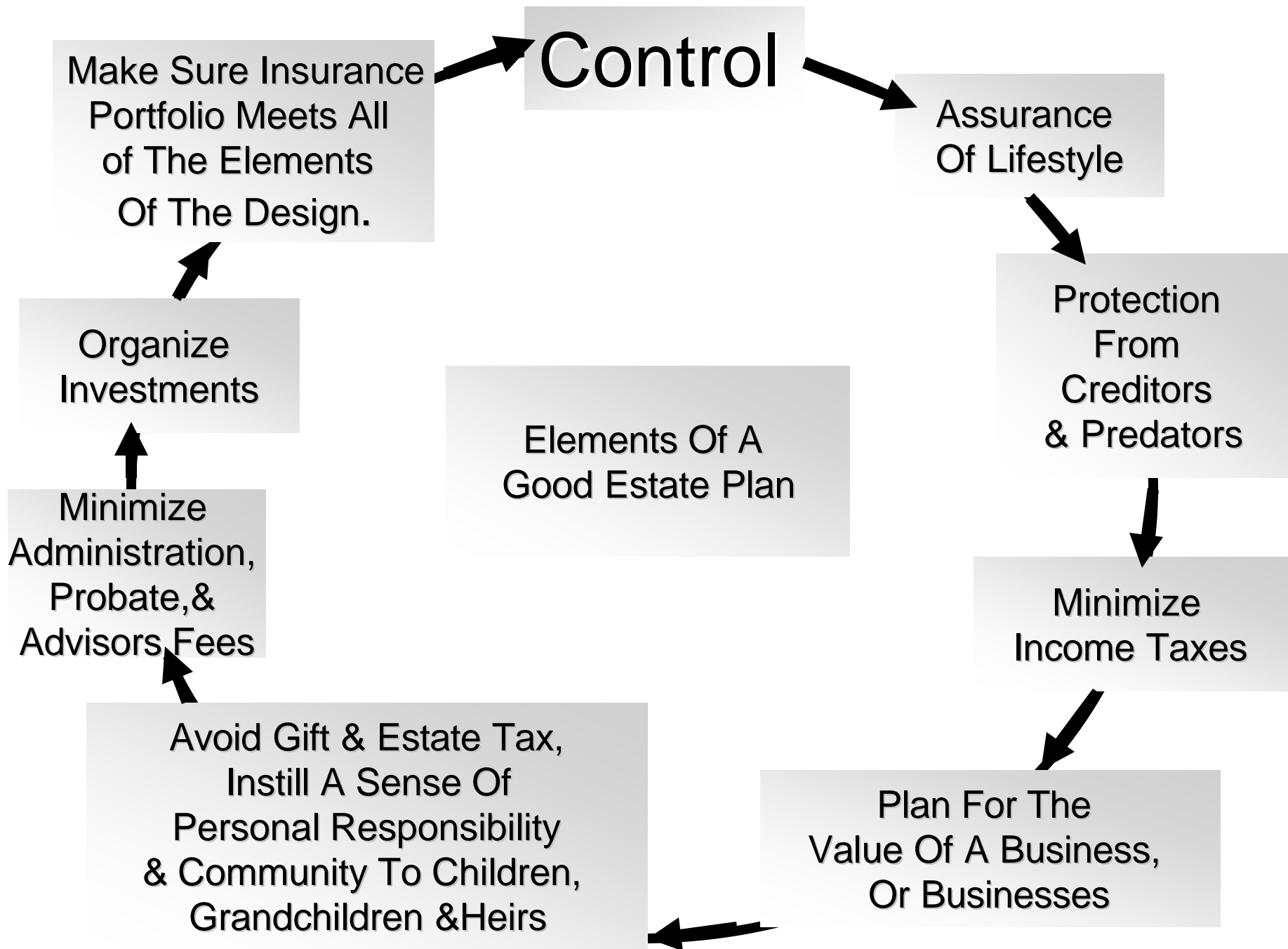


**ADVISOR
OPPORTUNITIES
IN ESTATE PLANNING**

**Presented by:
James D. Evans, JD, MGA, MBA**



***Most Estate Plans
Just Don't Work!***

An Effective Estate Plan Includes:



◆ Proper Asset Ownership



◆ Control of Process

- What to Do**
- How to Do It**
- How to Pay for It**

Definition Of Estate Planning:

**I Want to Control My Property
While I'm Alive and Well;**

**Plan for Me and My Loved Ones if
I Become Disabled;**

Definition Of Estate Planning:

Give What I Have

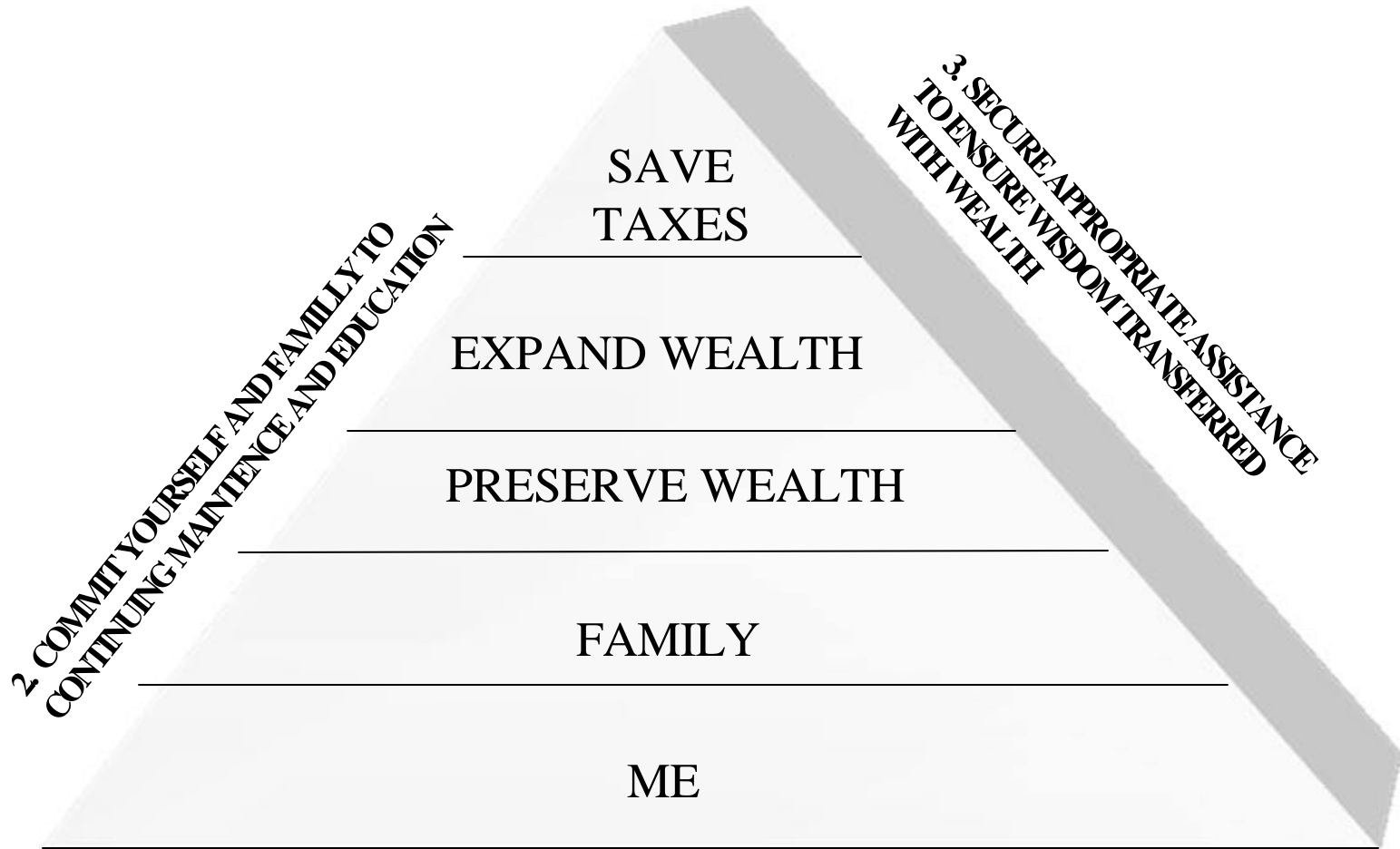
To Whom I Want

When I Want

The Way I Want

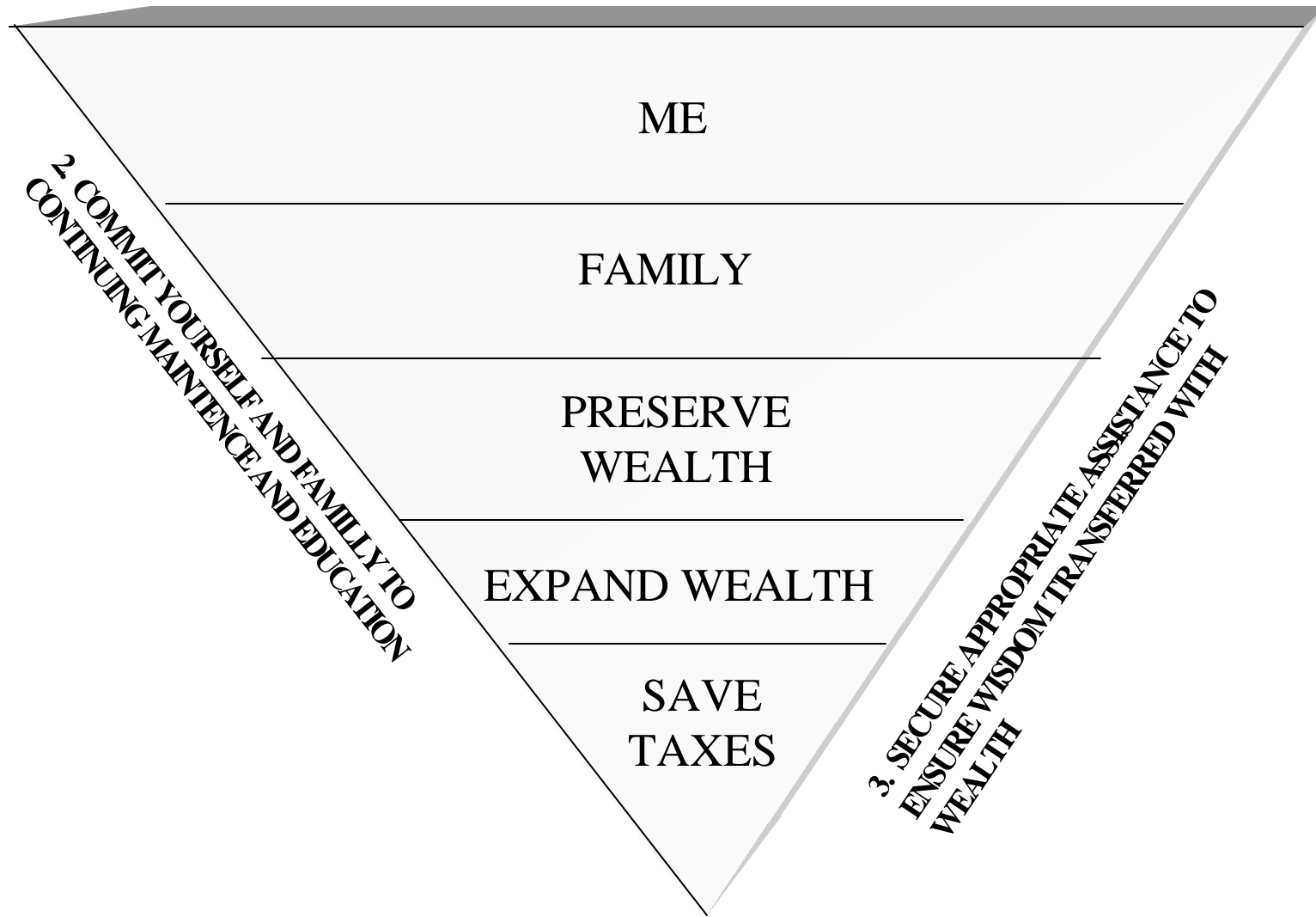
**While Assuring My Wisdom is Transferred
Along With My Wealth.**

LIFESPAN™ PLANNING PYRAMID



1. DEVELOP YOUR PLAN WITH A COUNSELLING-ORIENTED ATTORNEY

LIFESPAN™ PLANNING PYRAMID



1. DEVELOP YOUR PLAN WITH A COUNSELLING-ORIENTED ATTORNEY

Estate Planning Overview

The Planning Pyramid

- Focuses on Client Goals
- “Solutions” Make Planning Easier
- Exposes Traditional Planning as “Upside Down”

Ownership of Property –

Three Types of Title

- Individual Name
- Joint Name
- Contract
 - Beneficiary Designation
 - Trust

Ownership of Property–

INDIVIDUAL NAME

equals

WILL

equals

PROBATE!

Ownership of Property–

- Joint tenancy
 - What is Joint Tenancy
 - What Problems are Created
 - During Life
 - After Death
 - Tax Considerations

Ownership of Property–

- Gifts
- Contracts (which are rarely coordinated with the planning goals and objectives)
 - Insurance
 - Annuities
 - POD/TOD Accounts
 - Retirement Accounts

Estate Planning Overview

Contrasting the Traditional with
Results Oriented Approach:



Estate Planning Overview

- The Debate Has Centered on Documents
- “It’s Not About Documents, ...
It’s About RESULTS!”
- A Process produces the results

The Process: 3 Step Strategyä

- **Work with a COUNSELLING Oriented Attorney**
- Establish and Maintain a Formal Updating Program
- Assure Controlled Settlement Costs After Your Death

STEP 1 - COUNSELLING

Personal Planning Goals

- Catastrophic Illness Protection
- Remarriage Protection
- Creditor Protection
- Divorce Protection
- Values Promotion
- Other Hot “Spots”

The Process: 3 Step Strategyä

- Work with a Counselling Oriented Attorney
- **Establish and Maintain a Formal UPDATING Program**
- Assure Controlled Settlement Costs After Your Death

STEP 2 - UPDATING

Traditional

Process

◆ Infrequent or
Non-Existent

◆ Continuous

STEP 2 - UPDATING

- Is the Key to Control of the Process
- Stronger Relationships with Clients
- Lower Fees at Death or Disability
(Step 3)

STEP 2 - UPDATING

- More Opportunities to:
 - Upgrade and Improve Planning
 - Determine Needed Financial Products
 - Assets Under Management Increases

The Process: 3 Step Strategyä

- Work with a Counselling Oriented Attorney
- Establish and Maintain a Formal Updating Program
- **Assure CONTROLLED SETTLEMENT COSTS After Your Death**

STEP 3 – CONTROLLED COSTS

◆ Three Factors of Overall Cost

- The Cost of the Documents
- The Cost of Updating
(Or Failing to Update)
- The Cost After Death
 - Transfer of Assets
 - Death Tax Return Preparation

STEP 3 – CONTROLLED COSTS

“The Rest” of the Fees

- Trust Settlement Administration
 - Disability
 - Death
- Death Tax Return Preparation
- Probate Services

Summary For Successful Estate Planning

- Focus on **Counselling** ...Not Documents
- Maintain by a Formal **Updating** Program
- **Control** Back-End/Settlement Costs
- **Collaboration** – Partners-in-Planning™

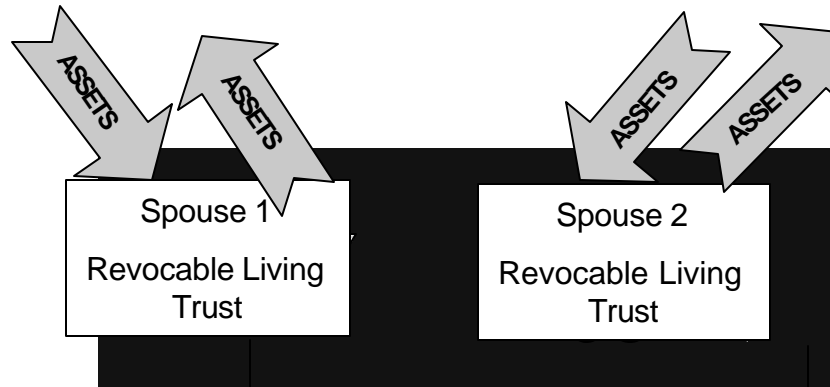
Sample Revocable Living Trust Plan With A-B Tax Planning

Living Trust Advantages

1. Privately avoids/minimizes probate delay and cost
2. Provides for management of your assets if disabled
3. Can help reduce or avoid estate taxes.

Disability Management

- No Court involvement
- No Groucho Marx
- Loved Ones can manage



Who Manages . . . You Decide!

Initial Trustee

- H? and W?, Other?

Disability Trustees

- Spouse?, child?, institution?

1st Death

Marital & family trust form at 1st death

Marital
"A"

Family Trust
"B"

\$3.5M
≤\$3.5M>
0

Use
Spouse 1's
coupon to
pay tax

Spouse 2 has
access to
assets

Spouse 2 has
access to assets
for M,E,S,H.

Death Trustees

- You Choose
spouse? Children?
or Institution?

2nd Death

1/3 Now
1/3 Later
1/3 Later
Life time

1/2

Child 1

1/2

Child 2

1/3 Now
1/3 Later
1/3 Later
Life time

- Creditor Protection?
- Predator Protection?
- Special Needs Protection?
- Generation Skipping Trust?

Potential Tax Savings \$1,575,000

Referrals From Attorney's

- Clients vs. Files
- Do they do updating vs. transactional
- Process to Control Back-End Costs
- Collaboration – Team Player

Advisor Opportunities in Estate Planning

1. Consolidation of Assets
2. Insurance Review
3. Advanced Planning Strategies
ILIT, FLP, CRT, etc.

RLT
Husband's

RLT
Wife's

4. New Investment Vehicles, such as Roths, 529s
5. Second to Die Insurance
6. Umbrella Policy
7. Business Insurance
8. Disability Insurance
9. Succession Planning
10. LTC Insurance
11. Trust tax returns
12. Medicaid Planning

Disability

13. Annuities
14. Medicaid Planning
15. CRTs
16. ILITs

Marital Trust

Family Trust

17. Buy/Sell Insurance
18. Pre-Paid Funeral
19. Assets under Management for Extended Family
20. 1st to Die Insurance
21. Business Succession

22. Letters of Instruction regarding financial plan
23. Continuity of Advisor Involvement
24. New Insurance
25. Rollovers

Common Trust
(if minor children)

26. Guardian Advising
27. 529s & Roths
28. Growth vs. Income

C₁

C₂

C₃

G₁

G₂

G₃

G₄

G₅

G₆

G₇

29. Continuity of Advisor Involvement
30. Trust tax returns
31. 529s

32. Assets under Management
33. Variety of Insurance Needs
34. No Outright Distribution

Take-Away Useful Tools:

Get Clients Focused on Counselling:

- Have you done proper Estate Planning
- Top Ten Estate Planning Mistakes
- Top Ten Retirement Planning Mistakes
- Ten Questions to ask an Attorney

Reminder:

1. **CE – Sign In Information**
2. **Evaluation/Partner-in-Planning**
3. **Client Law School**



Client Law School™

“The Truth About Estate Planning”

3 Hours CE Credit

Call to Register:

Benson & Case, LLP

303-757-8300 www.bensoncase.com

Thank You