

The “Daily Plan-It™”

SHUMATE BROKERAGE CORP.

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Common Estate Planning Mistakes

Ben Franklin once said that, “In this world, nothing is certain but death and taxes.” A major goal of estate planning is to minimize the effects of both on your clients’ assets. By helping them create a successful estate plan with clearly defined objectives, you can successfully stand out from your peers.

Unfortunately, many estate plans in America today fail to properly address their clients’ goals. One reason is because the attorney is not listening attentively. Another reason is that he or she fails to ensure that the property and/or beneficiary forms are properly titled.

There are other common mistakes that are often made. Once you know what they are, you can help your client avoid them.

Focus on recipients

The first error that is frequently made is the failure to focus on how the assets a person leaves will impact their recipients. Will your client approve of the way that his heirs handle everything they inherit? If not, the time to prevent this from happening is now, while your client is still alive. After he dies, it’s too late.

Plan for disability

Another mistake in estate planning is the failure to plan for incapacity. Where will your client live if he becomes disabled? Who will take care of him? Who will pay the bills? How will spending for the disability affect the goal of preserving wealth for a healthy spouse or his children? Can an alternative be suggested, such as long term care insurance? Must the Probate Court take control of their lives?

You can help prevent confusion by helping your client find a qualified estate planning attorney who can properly protect him. You can potentially save your client a small fortune later on if he prepares for it now.

Will it or won’t it?

A third common mistake that people make is thinking that they are set because they have wills. Others feel that, because everything is held jointly, a will isn’t necessary. In each case, they are wrong, and are unwittingly giving control to a probate judge.

A will *guarantees* probate. Joint ownership may avoid probate when the first person dies. But what about a remarriage, where all of the assets go to the new spouse or stepchildren, and none to the biological kids? Do your clients really want this? Have they even thought about it?

These problems can be avoided by helping your clients find a strong estate planning attorney before the need arises. By helping in this manner, you’re in a position to help them save their money as well as their family relations.

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