

The “Daily Plan-It”™

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No License to Love

A proactive financial planner is perpetually seeking new markets in which to expand his or her practice. According to the book, *Loving Without a License: An Estate Planning Survival Guide for Unmarried Couples and Same Sex Partners*, by Candace M. Pollock and Peggy R. Hoyt, you need only look in the direction of co-habiting couples for a wealth of opportunity.

Millions of potential clients

With marriage down by 52 percent since 1990, and the lifting of social taboos against living together, the market for potential clients is abundant. It reaches far beyond the scope of same sex partners, who are not allowed to marry in most states. According to the 2000 Census, of the 4.86 million unmarried couples in the U.S., only 594,000 are same-sex couples. In addition to that market, there are more than 4 million unmarried couples, including a massive elder market, which can be tapped for new business.

Possible pitfalls

According to Pollock and Hoyt, unmarried couples are particularly vulnerable for the following reasons:

1. State default laws favor blood relatives, not partners. This can leave individuals vulnerable during periods of disability or after death if there are no legal directives that authorize one another to act.
2. Many corporate pension and healthcare plans lack provisions for surviving unmarried partners.
3. The lack of the marital deduction can affect transfers of assets during one's lifetime and after one's death. Consequently, unmarried partners may have fewer net assets available to the surviving partner as a result of the double bite from gift and estate taxes.
4. Unmarried couples must provide liquid assets to

make up for fewer sources of income. Moreover, they need funds to cover gift and/or estate taxes, as well as increased costs when one's partner dies.

5. Many couples fail to consider the need to protect assets in case one partner requires long term care. Medicaid laws don't offer unmarried couples as many options to keep and transfer assets as they offer to married couples.

Vulnerable no more

Pollock and Hoyt advise financial professionals that each challenge in planning for unmarried couples is an opportunity to find creative solutions. Clients can be protected from the above pitfalls through life insurance, long term care insurance, and trusts.

Catering to an underserved market is a win/win situation, to both the unmarried couple and the financial planner's bottom line.

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