

## Estate Planning Uses of Insurance

Bob and Betty\* had purchased some term life insurance policies when the children were younger. They realized that the death of either of them would have resulted in an obvious need to have a financial resource to replace that income to support their family. What they had not really addressed was the large array of insurance products and features which could serve their families personally, but could also address the needs of their business continuity.



Often when I bring up the topic of insurance coverage, I am first met with a series of groans and requests to please talk about anything else. I suppose this is largely due to misconceptions about insurance, along with the desire to avoid considering the circumstances that result in insurance proceeds being paid -- death, disability, accident, illness, etc. My suggestion is this -- get over it.

Insurance is a tremendous product that, when properly purchased and utilized has the ability to protect your savings, create wealth, replace wealth, support you and your loved ones and/or pay for taxes and expenses that you'd rather not have to pay for or may be unable to pay for. Without proper insurance coverages, you are taking on needless and irresponsible risks for yourself and your family.

Insurance is one of the best tools for accomplishing the main objective in Estate Planning, and the theme of this Guide, that is, providing savings, protection, opportunities and peace-of-mind to families.

Some of the uses of the various types of insurance in Estate Planning include the following:

**Personal**

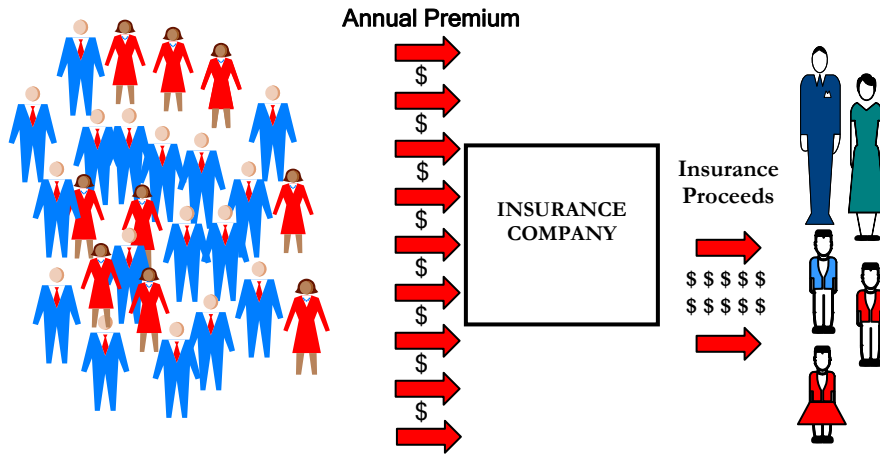
- Expense Coverage
- Income Replacement
- Mortgage Payoff
- Investment Stability and Growth
- Wealth Creation
- Disability Coverage
- Long Term Care Coverage
- Estate Equalization
- Education Expense Coverage
- Death Tax Payment

**Business**

- Key Employee Loss Coverage
- Buy-Sell Agreement Funding
- Key Employee Benefit Funding
- Deferred Compensation Funding
- Salary Continuation Funding
- Retirement Plan Funding
- Business Interruption Coverage
- Business Owner Transitions

This part of the Guide will briefly consider some of the uses of insurance in Estate Planning. It is by no means exhaustive. Instead, it only scratches the surface of the benefits available.

Lastly, don't enter in without proper guidance. The assistance of a competent and professional insurance adviser is invaluable.



<i>To Do List</i>
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✓ _____
✓ _____
✓ _____
✓ _____

\*While the examples mentioned in this book are based on actual clients' situations, the names and certain facts have been changed in order to protect their privacy.