

LIFE INSURANCE IN ESTATE PLANNING

Living on Queen Anne or in Magnolia says you probably have insurance on your life, or that of your spouse. Most Americans follow suit in order to replace income when a working family member passes. Your insurance professional can help you determine what type of insurance to buy, the policy amount, and when benefits should pay, all to establish this cornerstone of your "Estate Plan". Even if your family's wealth is sufficient to provide for your family, a policy of insurance can provide immediate cash when the need arises. Insurance can avoid the need to close accounts, move accounts, or to probate the estate. Life insurance can also play a role in preserving a family-owned business. Insurance proceeds can fund a "buy-out" of the decedent's share of the business, cover for the loss of this Key Employee, or cover for the loss of the decedent's ability to borrow for the business.

In today's climate it is imperative to find a solid insurance professional to help you lay this cornerstone of your family's future. You need to find an insurance executive that is skilled in the various "products" the industry offers, the tax or non-tax considerations that might affect your buying decisions, the type of insurance that suits your needs, to decide who should "own" the insurance, as well as the tax consequences relating to income, transfer, buying and owning life insurance.