

## **Life Insurance and Your Estate Plan**

Consider life insurance – please! Insurance can keep your family living in their present style; it can pay off debt; it can be a nest egg for your children’s college studies, and; it can provide for a special needs child or your dependent parents.

Even if you have employer-provided life insurance, know how much it’s worth and who you named as beneficiary. Your life insurance is “worth” the face value – the payout upon your death. Will your insurance payoff the home mortgage, keep the financial stress off your family, and provide the nest egg for your family’s future needs? You may need to supplement your employer-provided plan.

Who is your beneficiary? If you’ve been divorced, pull out that Decree and see if you’re obligated to maintain insurance to guarantee spousal maintenance or child support – will your current policy cover this obligation? And, even if your children are named beneficiaries, their surviving parent will probably be the “guardian” that will administer the insurance benefits – is this what you want?

You should calculate the anticipated ongoing financial needs of your family after you pass. You want to ensure that the proceeds are administered by a trusted person. And, you must consider estate taxes (after the exemption, about 47% of the estate value). This can wipe out your insurance investment. See an estate planning attorney when you have any doubts about your estate needs.