

ADVISOR'S BULLETIN

WHAT'S IN THIS MONTH'S NEWSLETTER

ADVISING A FAMILY DEALING WITH A TERMINAL ILLNESS: AN UPDATED CHECKLIST

Michael W. Lagos,
CFP®
President

Robert L. Langsam
Director of Tax
Strategies

Jane M. Roberts
Director of Client
Services

Justin P. Boren , PHD
Chief Compliance
Officer

Samuel Escobar
Financial Advisor

Areka Panwar
Client Service
Associate

A MESSAGE FROM MICHAEL W. LAGOS, CFP®

Dear Strategic Advisor:

Imagine that one of your clients has only months to live. The client and the client's family have questions, and they are looking for help with regard to what needs to be done.

Obviously, a financial professional needs to help the terminally ill client get his or her financial house in order. But the family may look to the trusted advisor for more help. In addition to money issues, the client and family may be grappling with other tasks that need to be addressed:

- Estate distribution details
- Final arrangements
- Unresolved family issues
- Health and end-of-life care
- Spiritual issues

When the loved one's family is struggling with the emotional issues associated with end-of-life needs, they can easily overlook important decisions that can be resolved prior to death. In those circumstances, friends and relatives may look to those of us who are financial professionals for help.

We first published an end-of-life checklist in 2011. The list contained in these pages is based on the original, but it has been updated for 2019.

The following checklist is *not* complete. No person's life can be wrapped up in just a few pages. However, having a starting point for the work to be done may be helpful to you and your client's family.

Regards,
Michael W. Lagos, CFP®

The Advisor's Bulletin is provided by LAGOS WEALTH ADVISORS AND LAGOS FINANCIAL & INSURANCE SERVICES, INC. It is intended to serve as a resource for the advisors which we are associated with.

Recent developments in estate, business, and insurance planning are outlined for your reference. Should you wish to receive additional information related to financial planning, estate planning, insurance planning, or investment management, please do not hesitate to contact our office.

ADVISING A FAMILY DEALING WITH A TERMINAL ILLNESS: AN UPDATED CHECKLIST

Money Issues

Financial professionals are generally most comfortable starting with the money issues. The following lists deal with financial products and making sure they're properly organized to meet end-of-life needs and post-death transfers.

LIFE INSURANCE

Identify All In-Force Coverage

- Have all individual life policies been identified and located?
- Have all group life policies been identified and located?
- Have all business-related life policies been identified and located?
- Has all third-party-owned life coverage been identified?

Confirm Information on Each Policy

- What is the current ownership and contingent ownership of the coverage?
- Who are the named beneficiaries and contingent beneficiaries?
- Is the current loan, lien, and assignment status documented?
- What is the current in-force status and projected performance of each policy?
- Does any coverage have terminal illness or chronic illness options?
- Does any coverage have automatic increase in death benefit options?
- Does any coverage have waiver of premium options?
- Do any term conversion options need to be exercised?

Evaluate Each Policy

- Is ownership correct?
- Is a contingent owner named?
- Is the beneficiary designation correct?
- Have potential spousal rights been addressed?
- Is a contingent beneficiary named?
- For business policies, have Section 101(j) rules been followed?
- Is a certain kind of settlement option at death desired and locked in?
- Will the policy stay in force until death?
- Are companion estate planning documents consistent with policy coverage?
- Are there potential extra claims against agents or carriers?

Decide About Life Settlement

- Does the policy owner need cash prior to the insured's death?
- Does the policy have a terminal illness rider?
- If settlement is appropriate, have life-settlement vendors been identified?
- Has the client decided when the life-settlement process should begin?

Gather Administrative Information

- Is contact information complete for beneficiaries and contingent owners?
- Is contact information complete for life carriers and agents?

QUALIFIED ACCOUNTS

Identify All Qualified Accounts

- Have all pension and qualified accounts through existing employers been identified?
- Have all pension and qualified accounts through former employers been identified?
- Have all traditional IRAs been identified?
- Have all Roth IRAs been identified?

Confirm Information on Each Account

- Who is the account custodian?
- Who are the account beneficiaries and contingent beneficiaries?
- What are the investment choices, if any, with regard to the account?

Evaluate Each Account

- Is ownership correct?
- Is the beneficiary designation correct?
- Have spousal rights in account been addressed?
- Is a contingent beneficiary named?
- Are account investment choices sensible under the current circumstances?
- Have post-death tax results been evaluated?
- Have all required minimum distributions been taken?

Gather Administrative Information

- Is contact information complete for beneficiaries and contingent owners?
- Is contact information complete for administrators and custodians?

SOCIAL SECURITY, PENSION AND OTHER RETIREMENT INCOME

Identify All Retirement Income Sources

- Have all nonqualified benefits from existing employers been identified?
- Have all nonqualified benefits from former employers been identified?
- Have all immediate annuities been identified?
- Have all potential Social Security benefits been identified or claimed?
- Have all potential claims as a result of spousal status been made?
- Have all potential veterans' benefits been identified or claimed?

Confirm Information on Account

- Has the payee of the benefits been confirmed?
- Has the beneficiary of any contingent values been confirmed?

Evaluate Each Account

- Have income choices been locked in?
- Have correct beneficiaries been named for any contingent value?

Gather Administrative Information

- Is contact information complete for beneficiaries and contingent owners?
- Is contact information complete for administrators and custodians?

NONQUALIFIED INVESTMENTS

Identify All Investments and Nonqualified Accounts

- Have all individual securities been identified?
- Have all brokerage accounts been identified?
- Have all nonqualified deferred annuities been identified?
- Have all closely held business interests been identified?
- Have all bank accounts been identified?
- Have all safe deposit box contents been identified and inventoried?
- Have all collectibles been identified?

Confirm Information on Each Account or Title

- Has current ownership and contingent ownership been documented?
- Have pay or transfer on death (POD/TOD) designations been documented?

Evaluate Each Account

- Are investment choices correct under the current circumstances?
- Should losses or gains be recognized prior to the death of the taxpayer?
- Should gifts on any assets be made prior to death?

Gather Administrative Information

- Is contact information complete for beneficiaries and contingent owners?
- Is contact information complete for administrators and custodians?

REAL ESTATE

Identify All Real Estate Ownership Interests

- Where is the real estate located?
- What is the current mortgage or other financing information?
- What is the current property insurance information?
- What is the current real estate tax information?
- What is the current title insurance information?

Confirm Information for Each Property

- Has current ownership information been documented?
- Is there any POD/TOD designation on the deed?
- What is the current mortgage balance and status?
- Have copies of any buy-sell agreements that may apply been secured?
- Are the buy-sell provisions accurate and properly funded?

Evaluate Each Property

- Should losses or gains be recognized prior to the death of the taxpayer?
- Should gifts of any properties be made prior to death?
- Have arrangements been made for property upkeep and improvement, as needed?
- Has the alternative methods to avoid unnecessary probate been evaluated?

DIGITAL ASSETS

Digital assets include things like youtube videos produced by the client, airline miles, online photos and credit card points. Plans should be made for the control of these assets in the event of death or incapacity.

- What are the sign-in credentials for online accounts?
- Is there a list of online assets that ought to be preserved?
- Is there any digital information that should be destroyed?

Estate Distribution Details

The review of estate planning documents and other post-death transfer plans goes hand-in-glove with the professional's review of financial details.

GENERAL

- Is contact information complete for beneficiaries?
- Is contact information complete for named fiduciaries?
- Do the beneficiaries and fiduciaries understand what will happen at death?
- Has a trusted and available person been told where documents are located?

TITLING

- Is titling of assets consistent with distribution intentions?
- Do co-owners, contingent owners, and beneficiaries need trust protections?

WILLS

- Is the will document up-to-date?
- Does the will document meet the legal standard for enforceability?
- Are the proper distribution intentions reflected in the document?
- Are the named fiduciaries correct?
- Are special needs beneficiaries adequately planned for?

TRUSTS

Revocable

- Are the dispositive provisions correct?
- Is the document enforceable?
- Are assets titled properly in the trust?
- Are the named fiduciaries correct?

Irrevocable

- Has proper trust administration taken place and been documented?
- Does the trustee have good records related to the trust-owned assets and life policies?

BUSINESS INTERESTS

- Have all closely held business interests been documented?
- Have copies of buy-sell agreements that may apply been secured?
- Are buy-sell provisions accurate and properly funded?
- What is the status of personally guaranteed business debt?

PERSONALTY

- Are pre-death gifts of personal items appropriate?
- Has a list of post-death dispositions of personal assets been made?

CHARITABLE

- Have arrangements been made for desired charitable gifts?
- Has the possibility of an immediate qualified charitable distribution been discussed?

Taxes

- Have all state and federal income tax returns for years prior to death been filed?
- Have all income tax liabilities been paid?
- Have all required gift tax returns been filed?
- Have all other potential tax liabilities been satisfied?

Final Arrangements

Many of our clients have strong feelings about their final arrangements. Some aspects of the planning involve financial considerations, but others do not.

DISPOSITION OF REMAINS

- What are the client's intentions with regard to burial, cremation, or other choice?
- What are the client's intentions with regard to location of plot or niche?
- What are the client's wishes with regard to any monument?
- What are the client's intentions with regard to urn or casket details?

FUNERAL

- Is preplanning and prepaying the funeral arrangements appropriate?
- What are the client's intentions about religious ceremonies?
- What are the client's intentions about choice of funeral home?
- What are the client's intentions about pallbearers?
- What are the client's intentions about music, scripture or other readings choices?
- What are the client's intentions about memorial donations?
- What are the client's intentions about presiding clergy?
- What are the client's intentions about any post-funeral reception?
- What are the client's intentions about overall funeral budget?
- Does the client have any special funeral requests?

OTHERS

- Can the obituary be drafted in advance?
- Is there a list of those to be notified at death?

Health and End-of-Life Care Issues

For clients who are at end-of-life, making choices about health care and hospice during their final days can give them some measure of peace. The financial professional's input with regard to insurance coverages, as well as financial management details, can be helpful to the client and family.

LIVING WILL CHOICES

- Has a living will document been prepared and located?
- Have wishes been expressed for terminal life support, resuscitation, and organ donation?
- Have copies been given to health-care providers and relevant family members?

HEALTH CARE PROXY

- Has a health-care power of attorney been prepared?
- Have copies been given to the health-care agent and health-care providers?

HEALTH INSURANCE

- Have health insurance policies been reviewed?
- Are health claim explanations of benefits being reviewed?
- Have long-term care insurance policies been reviewed?
- Have disability insurance policies been reviewed?
- Have veterans and other government benefits been reviewed?
- Have procedures been reviewed for post-death reimbursement of expenses?
- Are pre-death medical expenses being managed?

FINANCIAL MANAGEMENT DURING END-OF-LIFE

- Has a financial power of attorney been prepared?
- Have copies been made available for the client's financial agent?
- Is supplemental liquidity needed for the client's care?
- Has the need for a financial conservatorship been evaluated?

HEALTH CARE

- Does the client have special diet requests?
- Has the preferred hospital been identified?
- Has the preferred nursing home been identified?

HOSPICE DETAILS

- What are the client's wishes about desired treatments?
- What are the client's wishes about pain-management choices?
- What are the client's wishes about preferred location of end-of-life care?
- What are the client's wishes about terminal sedation?
- How will the client's health insurance coverage handle hospice?
- What is the client's preferred hospice provider?

Unresolved Family Issues

Many who are dying use the time for introspection and evaluation of their relationships with family members. Some will want to heal long-standing family hurts by visiting with relatives or by leaving messages.

PREDEATH CONVERSATIONS

- Has the client created a "forgive" and "seek forgiveness" checklist?
- Has the client identified family members to whom the client wants to speak?
- Has the client or family arranged for visits in the appropriate way?

POST-DEATH COMMUNICATIONS

- Have family members been identified who are candidates for post-death messages?
- Has the client recorded family messages on the appropriate medium?
- Has the client considered preservation of biographical or ancestral information that could be lost?

Spiritual Issues

While dealing with spiritual issues has fewer financial implications, the client may have no more important objective during end-of-life than enhancing his/her faith relationship.

GENERAL

- What reconciliations are needed for the person to pass peacefully?
- What gives the person's life meaning?
- Are any financial gifts to the client's religious organization desired?

IN-HOME SERVICES

- What clergy does the person wish to see during the end-of-life process?
- What spiritual activities does the person want to engage in?

CONCLUSION:

The tasks and action steps are not a complete list of all the things that must be done when dealing with end-of-life. And the steps are not necessarily in the order in which they should be accomplished in every case. The checklist is meant as a general guide to which each should make his or her own order of priorities and add or omit tasks that are more or less relevant to the dying person's particular circumstances.

Coordination and cooperation with all members of the client's planning team are essential. Each member should uncover issues and attempt to share and solve problems according to their skill strengths, the scope of the engagement with the client, and the expectations of the client's family and professional team.

The plain truth is that all of us should plan for end of life, as it's inevitable and the timing is uncertain. How many of these tasks, dear reader, do we need to address ourselves?

This Page Intentionally Left Blank

This Page Intentionally Left Blank

This Page Intentionally Left Blank



LAGOS
WEALTH ADVISORS

BUILDING. PROTECTING AND PERPETUATING FAMILY WEALTH

**21700 COPLEY DRIVE, SUITE 395 DIAMOND BAR,
CA 91765**

Phone: 866-444-4964, Fax: 714-940-0889

**IN THIS ISSUE OF
ADVISOR'S BULLETIN**

**ADVISING A FAMILY
DEALING WITH A TERMINAL
ILLNESS:
AN UPDATED CHECKLIST**

Building Protecting and Perpetuating Family Wealth

LWA strives to develop and maintain sound financial plans designed to achieve our client's wealth accumulation, preservation and transfer objectives, with the goal of preserving their wealth for multiple generations. We provide these services in a confidential and consultative manner, building life-long relationships based upon education, trust, communication and service.

PLEASE VISIT OUR NEW WEBSITE: WWW.LAGOSADVISORS.COM

Click on Resources to gain access to online versions of the Advisor's Bulletin, as well as valuable reference materials for our advisors.

IMPORTANT NOTICE: PLEASE READ

The Advisor's Bulletin is not intended to be a source of advice. This is only an update of current laws regarding Estate and Insurance Planning. Please seek professional consultation for more further information. Securities Offered Through: Triad Advisors, LLC, Member: FINRA and SIPC.