



Risk Assessment for Asset Protection and Succession

There are certain events that prompt people to review their portfolio of assets, insurance policies, wills and trusts, and other documents that encompass either a personal legacy or business succession plan. Typical of these include marriage, birth of children, divorce, care for aging parents, or the death or retirement of a business partner. And, now, the residual effects of the pandemic.

It would seem that the virus, which has affected aspects of everyone's life, both personal and professional, cannot be overstated and informs new concerns or changes to long-standing decisions regarding asset division and business perpetuation. Mr. John E. Dustin, President of J.E.D. Insurance & Financial Services Agency, Inc., of Foxborough, Massachusetts, comments that now is a good time to review the impact, financial and otherwise, to the changes we've all had to make and adapt to, and how that influences asset division. "Delving into the uniqueness of what a private client or a business customer wants, starts by asking several detailed questions," John begins. "These provocative questions never elicit the same response from one client to the next. But it does help bring into focus what they envision for their personal legacy or business succession plan."

The questions he asks purposely address risk assessment, which takes legacy or succession planning one step further and why his clients rely on his expertise. "I start by asking, 'What are your plans? What are you envisioning in the future?' I take a holistic approach and look at everything: Equities, mutual funds, and life insurance policies. It's part of the financial services checklist I use when I'm involved in helping a family plan or make changes to their existing plan," he says.

To be clear, John does not manage a client's wealth. "We provide asset protection. We work with our clients to get them the best result that they envision. The financial services we conduct are non-speculative analysis. There's either loss or no loss. We don't look for gain," he explains.

Questions asked might seem prosaic, but sometimes expose misguided ideas about what closes gaps in a legacy or succession plan. For instance, a client might decide that they need additional insurance, and insist that they need a particular type of policy, for their potential, future circumstances. Based on a comprehensive analysis of what a client has, John will not blindly sell a policy because they believe they need it. "I will ask why are you getting that policy? What is the purpose of it? Does it really support your long-term intentions?" he relays. By exacting answers to these questions, he is better able to direct his clients on what it is that they really want and need.

Occasionally, John will pause the risk assessment to direct his clients to reach out to their attorney. "They want to buy more life insurance, but they don't have a will. They may not have a will or healthcare proxy, but they want to purchase long-term care that will pay for home health care or nursing home care," he illustrates. In both instances, John will advise his clients to complete those two types of legal papers with a skilled and reputable attorney. Only when such documents involving long-term care are in place, does it makes sense to resume consideration for new life insurance and disability insurance policies. Insurance is one part of the process.

For an even more complete risk assessment, John continues to ask questions, which help advance a private client's vision regarding their children and grandchildren. "I will ask them. do they really want to set up a legacy plan for their kids? Or, do they want to keep it all for themselves?" he inquires. Real estate is one of the most carefully evaluated assets a family looks at, when the transfer of such assets for legacy planning comes up for review. "These considerations are timely, because, for example, they may have a house previously valued at \$500,000.00. Now, it could be worth over a million dollars," John points out. He notes that he's had clients divide their assets only among their grandchildren.

There are some important differences, though, between working with private clients and business customers. Helping a business customer determine perpetuation plans includes introducing different questions. As John catalogues, "Do they have a cross purchase plan? If one of the partners becomes disabled, how long do they think they are going to keep the company? Will they go public, or will they keep it private and make it a lifestyle business?"

The conclusion John strives for, is to provide the best legacy or succession plan for a private client or a business customer. To him, that means digging deep with questions to fully understand what they want and need. When their answers correspond to their finalized legal documents, financial accounts, and insurance policies, John's risk assessment is more complete, and he can confidently provide for them a plan that supports how they envision their asset division.

#riskassessment #envisionassetdivision #legacyplanning #successionplanning #portfolioofassets
#insurancepolicies #willsandtrusts #marriage #birthofchildren #divorce #careforagingparents

#deathofabusinesspartner #retirementofabusinesspartner #pandemic #virus #holisticapproach
#equities #mutualfunds #lifeinsurancepolicies #financialservices #existingplan #nonspeculative
#lossorno loss #gain #longtermintentions #attorney #healthcareproxy #disabilityinsurance
#homehealthcare #nursinghome care #lifeinsurance #children #grandchildren #realestate
#crosspurchaseplan