



The Centric Process: Rather than referring your clients away, Be centric to the process and enhance your business!

Top 3 Reasons Your Clients Need an Estate Plan

There are some common beliefs that clients may have about estate planning that are inaccurate: that having a will avoids probate, being married means everything a spouse owns goes to their surviving spouse, and a person does not need an estate plan if they own few assets. Educating people on the importance of an estate plan is key to saving time, money, and heartache that can be associated with lack of planning. As an advisor, you understand the importance of having an estate plan and can help your clients understand that a comprehensive estate plan can not only contemplate what will happen after death, but also protect clients and their loved ones in the event of incapacity.

While there are many important reasons to create an estate plan, we are going to focus and elaborate on three.

Reason # 1: An estate plan lets loved ones know what the client wants.

People tend to avoid thinking about death and dying and do not discuss these topics with their loved ones. While these topics often evoke strong emotions, it can be important to discuss several aspects of what they want to happen after they die with their loved ones. Their loved ones probably know them best but may not know what steps to take when faced with loss and grief. Encouraging your clients to provide the important people in their life with guidance through estate planning will hopefully reduce any confusion or additional stress following their death. By establishing a comprehensive estate plan, your clients can decide and communicate what they want to happen with their money and property, but also make some important decisions regarding the care of their minor children, pets, and their own final arrangements. You should discuss the benefits of conveying their wishes to their family through estate planning because depending on their goals, there may be appropriate strategies that an experienced estate planning can educate them on that they may not have been previously aware of.

Reason # 2: An estate plan is a legally enforceable way to carry out the client's wishes.

When speaking to your clients about establishing an estate plan to ensure their wishes are carried out, some may believe that they do not need to memorialize these decisions because they are confident that their loved ones will follow their wishes

However, as many of us are aware, it is hard to predict what will happen in the future and when faced with financial difficulties or struggles, their loved ones may act differently than what they had wanted. For example, while some clients believe that adding children to their real property or bank accounts will protect them in the event of incapacity, and avoid probate, these situations come with significant risks. Adding a child to their property grants an ownership interest in said property, and when the parents die, the child becomes the sole owner and can do with the real estate as they please. This could result in the unfortunate result of their child cutting out siblings or other intended beneficiaries after the client's death without recourse. While this is only one scenario, this is a great example to provide to your clients as to why creating an enforceable estate plan will make sure that all they have worked so hard for will end up with who they want.

Reason # 3: The client gets to choose what happens.

Your clients may be hesitant to meet with an estate planning attorney to establish their estate plan for a variety of reasons, including a lack of education on the benefits of estate planning. It is important to let them know that if they do not create their own plan, the state will have one for them. The default estate plan (known as a state's intestate statute) that controls the distribution of an estate may not align with their wishes. The state's plan will not consider your client's unique relationships and family structure. Blended families, parents of minor children, business owners, and unmarried couples are just a few groups that should strongly consider the consequences of not establishing a plan. An estate plan can protect clients from the consequences of incapacity that can occur as a result of an accident, injury, or illness. Without a plan, clients could be faced with a court-supervised conservatorship or guardianship, in which a court will delegate control of their person and property to another person, whom your client may not have chosen. As part of an estate plan, clients can choose who can act on their behalf in the event of incapacity.

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