

Protect what you already have



Step 2 in Your Roadmap to
Financial Independence

Most Americans will never reach millionaire status, but most will earn well over a million dollars in their lifetime. That's an amount worth protecting. Death, disability, injury, illness, and disease can rob you of your earning potential. If there are others who depend on your current and future earnings, you have a responsibility to protect them.



- Obtain good health, disability, and life insurance
- Acquire good property & casualty insurance
- Consider long term care insurance
- Create a last will and testament or trust, advanced care directive, and power of attorney



The technical word for passing away without a legal will or trust is "intestate." When a person dies intestate, deciding how their assets will be distributed becomes the responsibility of a state probate court.

Does everyone need an estate plan? Maybe not.

If you have no obligations to anyone else and if you are not worried about what happens with your stuff when you die, You may not need an estate plan However, if these are concerns for you an estate plan is important.

There are 6 types of risk that can be protected with insurance:

- 1.health/medical
- 2.disability
- 3.death
- 4.property damage
- 5.liability
- 6.longevity



You can use insurance to pool your risk with other policy owners.

One way to protect you and your family from risks is with insurance. Consider that in a small community of 100 people we know for certain that 1 person will die in the next 10 years, but we don't know who. We also know that their death will be devastating to their family resulting in \$1,000,000 in expenses and lost income. By pooling their risk, everyone in this small community could pay \$100/month to an insurance company which would give this family \$1,000,000 when their loved one passes away.



Now this is not exactly how insurance works, and these numbers are fictitious, but it does illustrate the concept of pooled risk. We can partner with other members of our community to help each other cover risks that would be financially difficult to endure.

five key documents you should consider including in your estate plan:

A Last Will and Testament outlines how you want your assets to be distributed after your passing. Without a will, state laws determine how your property is divided, which may not align with your wishes.

A Trust is a valuable tool for managing your assets and avoiding the probate process. By placing assets into a trust, you can specify how they should be distributed to your beneficiaries without court involvement.

Powers of Attorney grant someone you trust the authority to make financial and legal decisions on your behalf if you're unable to act on your own.

Advanced Medical Directives allow you to specify your healthcare preferences and empower a trusted individual to make medical decisions on your behalf, if you are unable to.

Beneficiary Designations on important accounts and policies, such as life insurance and retirement accounts, ensure that these assets are transferred according to your wishes.

While estate planning can be daunting, it's crucial to start as soon as possible to protect yourself and your loved ones during challenging times. Consulting with an experienced estate attorney can help you navigate the complexities of estate planning and ensure that your wishes are documented and legally enforceable

Next Steps:

1. Review health, disability, and life insurance needs then determine how to fill gaps
2. Review auto, home, liability, and other property & casualty insurance needs then determine how to fill gaps
3. Review your options to pay for possible long-term care expenses. If necessary, explore insurance companies
4. Create estate plan; last will and testament or trust, advanced care directive, and power of attorney

Don't wait until it's too late –
take proactive steps to plan
your estate today!



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