

Estate planning Why it's important

Many people believe that estate planning is just for the wealthy. This is not the case — if you have assets of any kind you have an estate. And if you have an estate you need to have a plan to preserve it and transfer it upon your death.

What a plan can do

- **Keep assets in family** — An estate plan can provide liquidity to pay any debts, taxes or expenses you leave behind, so your loved ones aren't forced to sell assets to raise cash.
- **Control how assets are divided** — Your estate consists of everything you own — homes, insurance policies, retirement accounts, investments, bank accounts, cars, collectibles and other personal property. Regardless of your intentions, without proper planning state laws can potentially dictate what happens to those assets.
- **Avoid probate** — Certain estate strategies can help to avoid a long, expensive probate process that can cause complications, conflicts and loss of privacy for surviving family members.



Future healthcare decisions; advance directives

- **Living will** — As part of the planning process, it's important to make decisions about future healthcare. A *living will* is a legal document that a person uses to make known his or her wishes regarding life-prolonging medical treatments. It's important because it informs your healthcare providers and your family about your desires for medical treatment in the event that you are unable to speak for yourself.
- **Durable financial power of attorney** — A financial power of attorney allows you to name someone to take care of your finances when you aren't able to. If you make your power of attorney "durable" it will continue to be valid even if you become incapacitated. The named individual, your agent, will have control of your finances so it's essential that you name someone you trust completely.

More information

For more information, you can visit www.irs.gov, refer to Publication 950 — Introduction to Estate and Gift Taxes; consult with your tax and legal professionals. And let's get together — I can work with you to consider options that may help you meet your estate needs and other financial goals. Life insurance issued by Farmers New World Life Insurance Company, Mercer Island, WA 98040.