



Getting Your Affairs in Order

10 Steps for Creating a Smart End-of-Life Plan

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End-of-life planning sounds like something you do, well, towards the end of your life. But the reality is, no one knows what tomorrow will bring. If the worst were to happen, you wouldn't want your family to be burdened with financial, legal and logistical problems. It's easier than you think to create a smart end-of-life plan. These 10 steps will help you get your affairs in order, and provide you with the peace of mind of knowing that your wishes are clear and that your loved ones will be taken care of.

- 1 Have a will and update it periodically.** The will designates executors, guardians and trustees. Your executor's first task is to locate your will, and you can help by keeping the original in a fairly obvious place. A good start is to put your will in an envelope on which you have typed your name and the word "Will." You should then place the envelope in a fireproof metal box, file cabinet or home safe. An alternative is to put it in a safe deposit box.
- 2 Have a health care directive (living will).** A living will is a medical directive written in advance that sets forth your preference for treatment in the event of your inability to direct care. The document may be drafted to include when the directive should be initiated and who has the decision-making responsibility to withdraw or withhold treatment.
- 3 Have a power of attorney.** You should name your spouse or a close friend or relative to have power of attorney for you. Whoever you designate will be authorized to manage your affairs, typically financial ones, if you're not able to handle them yourself.
- 4 Have life insurance.** Purchase adequate life insurance for yourself now to help your family avoid financial pitfalls later. Having the right amount of coverage will help ensure that the dreams you have for your family will be realized even if you're not there to witness them. Determining how much life insurance to buy can be complicated, so it's important to seek assistance from a qualified insurance professional.
- 5 Review beneficiary designations** for your various financial accounts, including group and individual benefits like life insurance and 401(k)s. Check annually to ensure those named in your insurance policies and retirement plans are still relevant to your needs and wishes. Many people are under the misconception that if they have a will, they are covered. However, beneficiaries designated in documents generally fall outside the scope of a will, so it is critical that you keep your records updated.
- 6 Specify where important financial account information is located.** It may sound like an obvious thing to do, but few people keep a list of where important records pertaining to their savings, retirement plans, college-funding plans, mortgage, and insurance reside. Fewer still could name them all quickly in an impromptu quiz. Keep a master list and review it annually.
- 7 Specify where important non-financial information and valuables are located** such as marriage certificates, birth certificates, titles/deeds for the house/cars, passports, jewelry, safe deposit box key, items in storage facilities, etc.
- 8 Specify your final arrangements** such as burial or cremation, where you want to be buried, whether you want to be an organ donor, etc.
- 9 Have a list of professionals** who assist you with your family's legal and financial affairs (insurance agent, attorney, accountant, etc.).
- 10 Explain to heirs how your trust works.** Trusts are often a useful legal and estate-planning device for protecting assets from estate taxes and providing a vehicle to be sure survivors get proper administrative and investment advice and counsel. An attorney is the best source of information about the proper use of trusts and whether one would be appropriate for you.