The Hourglass Estate Plan

Mutual of Omaha Advanced Markets

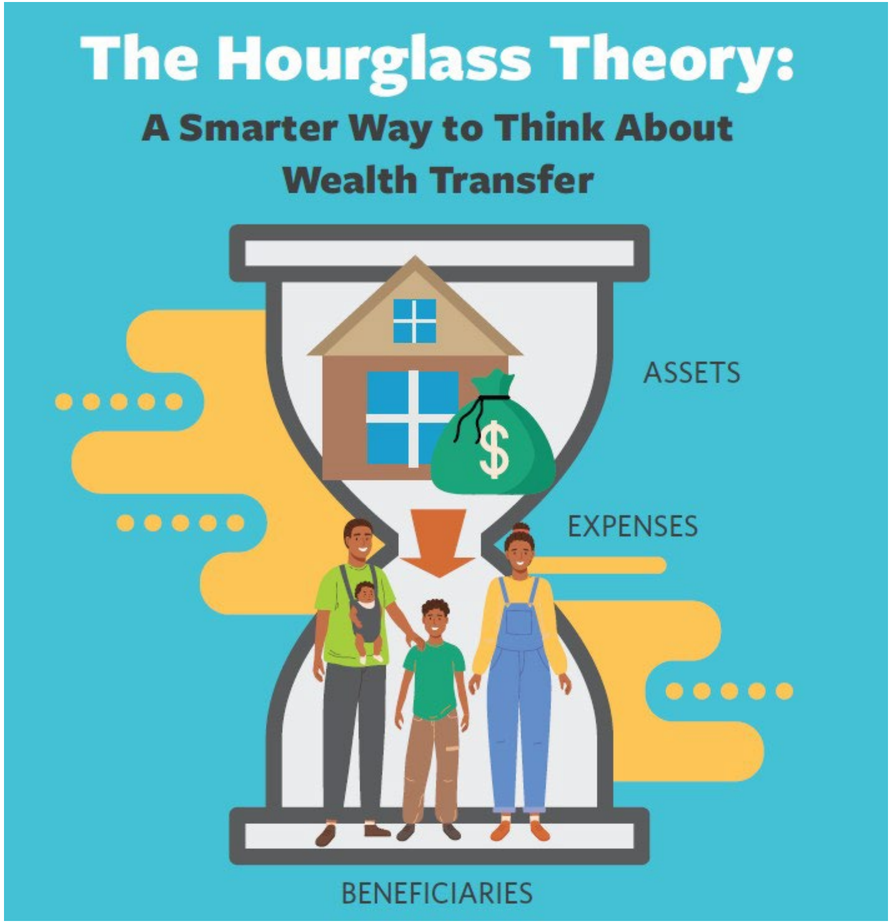
What Most Estate Plans Look Like
"Traditional Funnel"

Does it have to look that way?

No! Help clients stop siphoning off assets at death!

Mutual of Omaha

Change the shape of your client's estate plan from a traditional funnel to an hourglass



How do you do that?

1. Estate planning can minimize losses at death and provide the necessary cash (liquidity) to cover final costs

2. Create the liquidity to pay for the various expenses that occur at death

Estate planning documents that help clients minimize losses...

Mutual of Omaha

Create a Will

Draft a document that indicates:

Who should receive your assets?	Who will be your personal representative?	Who will be guardian for your minor children?

Avoids expensive battles in the probate court to answer the above questions

Power of Attorney

Draft a document that indicates:

Who makes financial decisions if you are incapacitated	What you would have done and the ability to make it happen

Avoid the cost to obtain court approval to become a guardian/conservator and comply with accounting requirements, filing, etc.

Medical Power of Attorney

Draft a document that indicates who makes your medical decisions if you are not capable of doing so?

Avoids the expense of obtaining a guardianship

Avoids the pain of loved ones fighting and potential expense of hiring attorneys in these emotionally-charged decisions

Living Will

Draft a document that indicates your end-of-life wishes, particularly for life sustaining treatment

Is there a more heart-wrenching decision that a loved one can make?

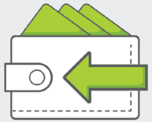
What if there is a disagreement in the family and people bring in the lawyers?

Revocable Living Trust

- Provides for the management of your assets and avoids probate
  - Settlor is usually the initial trustee
  - Assets owned by the trust do not pass through probate – particularly effective in avoid multi-state probates when owning real estate in more than one state
  - Will also need a pour over will to pass any assets not already owned by the trust
- Avoids probate costs (4%?) for those assets placed in the trust during life

Lifetime Non-Charitable Gifting

Evidence of the gift or a gift tax return may be required in some cases



Avoids transfer (*estate*) tax (*federal and state if applicable*) for assets given that are below the gifting limits

Lifetime Charitable Gifting

While leaving at death will remove it from the estate, giving it during life will do that AND may get an income tax deduction

Giving the “right” assets can increase leverage and can allow you to see the good that your gift does

Irrevocable Trusts

Want to use lifetime gifting to avoid estate taxes, but don't want family to receive the gift yet?

If you have a large estate, an irrevocable life insurance trust (ILIT) might be in order

Help mitigate or avoid estate taxes at the time of death

Buy-Sell Agreement

- Draft an agreement that requires the sale and purchase of your ownership interests by your co-owners
- Why is this an estate planning document and not just business planning?
  - Ensuring that your family receives a fair price for your life's work is an estate planning issue!
- Avoids expensive fights over the business and helps you understand what will be available to the family

Other Techniques

There are numerous estate planning devices that can be used to accomplish goals and Reduce expenses

Work with a good attorney!

Paying the Expenses

Sell Assets

Your loved ones can sell assets to pay these expenses

- What if the market is depressed?
- What if assets are not liquid?
- Do some assets have built-in taxes they will be accelerating?
- What if they must sell assets that you hoped would be passed on to future generations?
  - *Like the family vacation home?*

Borrow Money

Family can borrow the money to pay these expenses...

- At what loan rate?
- Will they be credit-worthy?
- How much of a burden will that place on them?

Leave Cash In The Estate

- Is that the most efficient use of capital?
- Will this negatively impact your retirement needs?
- Will your family ultimately end up with less because of an extremely conservative allocation?

Mutual of Omaha

Life Insurance

- Discounted Dollars
- There when you need it, ultimately for the family you love, in the amount you planned for

Which Mutual of Omaha Product is the Right One?

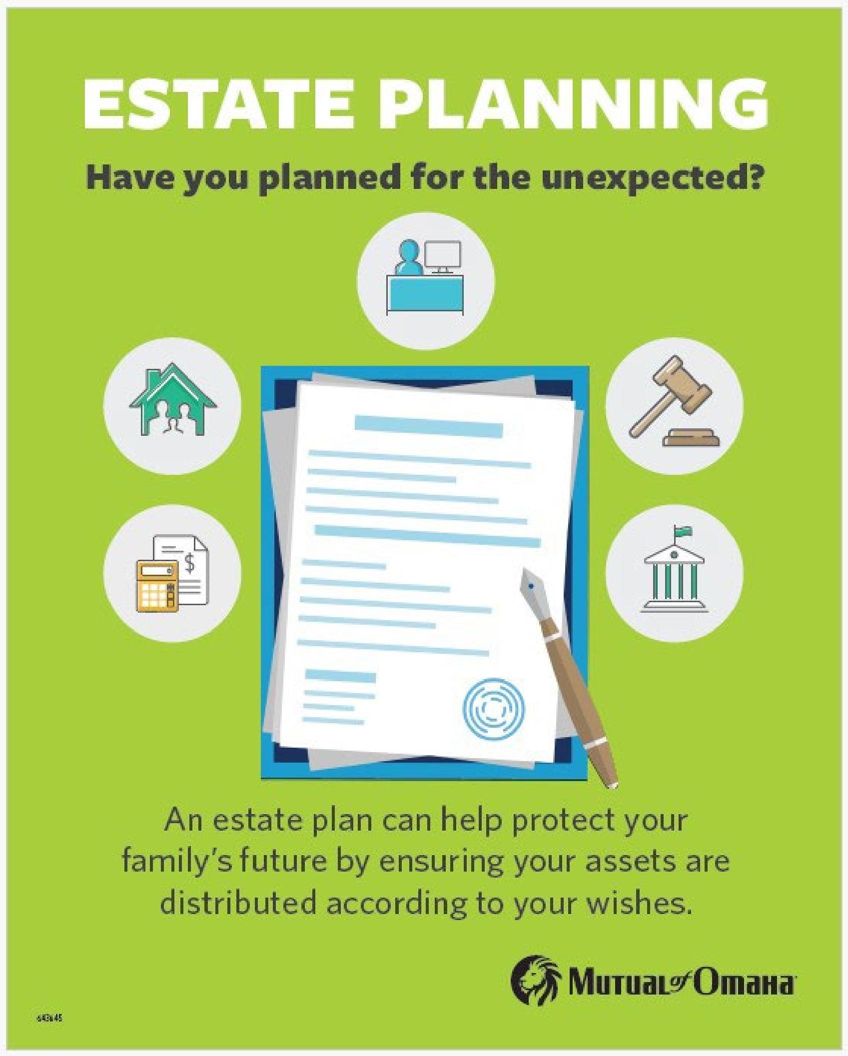
No matter which you choose, make sure they have enough death benefit – mix and match!

Term Life Answers	• Temporary needs • Affordable
Life Protection Advantage	• Affordable coverage guaranteed to age 90 • Most estate planning needs are permanent needs
Income Advantage	• Need is primarily for retirement income • Death benefit is useful for estate planning
IULE	• Smaller face amount • Easy application

Life insurance pays the expenses...

So the estate plan can function as intended

Be on the Lookout For the Advanced Markets October Digital Kit



Questions?

Your Advanced Markets Partners

Ron Lee
JD CLU ChFC CAP
VP Advanced Markets and Brokerage Field Relations

Michelle Owens
JD CLU ChFC CEBS
Advanced Markets Manager

Bill Beckett
CFP CLU ChFC MBA
Advanced Markets Specialist

P: (402) 351-4287
E: advanced.markets@mutualofomaha.com

Mutual of Omaha