

# CONTINGENCY PLANNING

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## Important Documents Every Family and Individual Should Review:

While we always stress the importance of having your legal affairs and estate plans in order, events like the current COVID-19 health emergency only reaffirm the importance of proper contingency planning for you and your family.

As we are all stuck in quarantine together and look for ways to keep busy while “social distancing”, this is a great opportunity to review your current estate plan and ensure you have the correct documents in place and that they are updated with your most recent wishes. While many of us are unlikely to be in a situation where we require intensive care, being proactive and having the proper documents in place can provide assurance and minimize unneeded stress and worry under a worst-case scenario.

Under the current situation, the COVID-19 Pandemic, it is important to highlight that Legal Offices and Financial Services fall under the “essential businesses” category and thus, most remain open and operational to fulfill client requests, although getting documents notarized may be difficult. In fact, in recent news there has been an increase in the demand for Estate Planning attorneys as many individuals and families are creating or updating the necessary documents for proper contingency planning, including protection of assets and succession.

Regardless, if you require legal work, we encourage you to have a conversation with your attorney and review the options available to you under the current circumstances. While we, at Winthrop Wealth, cannot provide legal advice, we are happy to have a conversation with you to discuss your goals and objectives, keeping in mind that your attorney will ultimately be the one to provide legal advice and draft any documents that need to be created or updated. Our team at Winthrop Wealth works closely with our clients legal counsel to ensure your needs are met. If you are currently not working with an attorney, we are happy to refer you to attorneys in our trusted network based upon your needs.

So what are the key documents that you should have in place as part of your contingency planning? We’ve outline a few of the key documents and their purpose.

- 1. Health Care Power of Attorney (also known as “Health Care Proxy”)** – This document authorizes another to make health care decisions on your behalf if you unable to do so yourself. Some of these decisions include but are not limited to; accepting or denying treatment, choosing facilities or physicians or other healthcare providers. It is especially important for elderly family members to have a Health Care Proxy in place and for the designated person(s) to know that they are this family members proxy. If you are unsure, it’s time to have this discussion with your parents or anyone who might consider you a proxy.
- 2. Living Will (also known as an “Advanced Directive”)** – This is a set of instructions that lays out your wishes regarding your care should you not be able to provide instructions at a given point in time.
- 3. Durable Power of Attorney (POA)** – This document allows the person granted power of attorney (POA) to handle the financial affairs of the grantor. Making the power “durable” keeps that power in force even in the event of incapacitation of the grantor. The Durable POA is very important document that allows the person(s) granted POA the ability to pay bills from the grantors bank account(s), access investment accounts, safety deposit boxes, as well as the ability to buy and sell property, etc. This is an especially important document for widowed or unmarried individuals, keeping in mind that the person that they grant power of attorney must be someone that they trust implicitly.

If you hold a Durable POA for a parent or other individual(s) account(s), we recommend that you ensure the financial institution(s) have the Durable POA document on file for the grantors accounts.

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- 4. Wills** – While it may seem morbid, it is always a good idea to make sure that your will is up to date and signed. Now is as good a time as any to review your will while you review your other documents as well. If you do not have a will or need to make updates to your current will, speak with your attorney.
- 5. Trust Documents** – If you or someone you care for have existing trusts, now is a great time to review them. What assets are in the trusts, who can access them and under what circumstances, who are the trustees, etc.?
- 6. Health Insurance Policies** – Review your existing coverage so that you know what your coverages are as well as your deductibles and co-pays. If your parents are on Medicare, review the coverages under Medicare and any Medigap policies that they may have as well as their prescription coverage. If retired and under an employer plan, make sure you are clear on those coverages as well.
- 7. Long term care (LTC) policies** – This is a good time to review LTC policies if you or your parents currently have one. Our team at Winthrop Wealth can help with this. Medicare only provides limited coverage after a hospitalization; to qualify for Medicaid, which will provide long term care coverage, the recipient must essentially be impoverished. Many older private policies have limited coverage for nursing home care only; more modern policies cover multiple levels of care at home or in a facility. It is also important to review your exposure to this potentially huge expense and how it can be mitigated relatively inexpensively.
- 8. Life Insurance and Qualified Plan Beneficiaries** – Take a look at your current life insurance coverages, the ownership of the policies and the beneficiary arrangement of these and any retirement plans you might have. Make sure that you are comfortable with the current beneficiary designations and that they are up to date. If you have been divorced, this is doubly important. In many states, a divorce will automatically change your beneficiary (this varies state by state). We are happy to review your beneficiary designations with you and help you understand what you have and any options that might be available to you.
- 9. Do Not Resuscitate Order (DNR)** – While this is not the most pleasant document, it is important to mention. If it is your wish that you are not to be revived should you cease breathing, you will need to have this document. Without a DNR in place, medical professionals are obligated to keep you physically alive, by all means necessary.

While this is not meant to be legal advice, with the right legal basics in place, you and your family can be prepared for the worst-case scenarios. A few minutes of proactive review can prevent a legal disaster for our families during an unfortunate and traumatic event.

If you would like to have a further discussion related to anything mentioned above, please feel free to contact us.

## DISCLOSURES:

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Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual.

This information is not intended to be a substitute for individualized legal advice. We suggest that you discuss your specific situation with a qualified attorney.