

Your Financial Life - Part 3

This summer, I have focused on one's financial health beyond investing. In our first publication, I sat down with our Siefferman Insurance Agents to talk insurance. Second, I chatted with Darren R. Bowman, CPA at Harrison Tax Advisors and this month, I wanted to focus on the importance of legal documents.

Being prudent means protecting assets while you are alive. Being responsible means protecting assets after you have passed. This is why we have constantly teamed with law professionals in our practice. In fact, we have Alan Trenz under roof at the Harrison Financial Center. He is licensed in Ohio, Kentucky, and Indiana and is the president and owner of Trenz and Knabe Co., LPA. He's assisted numerous individuals with preparing their continuation plans.

At Conservative Financial Solutions, we recommend individuals have four legal documents for maximum protection. These four key documents are a Will, Living Will, and Powers of Attorney for medical care and finances.

A Will is a legal document that sets forth your wishes regarding the distribution of your property and the care of

any minor children. Without a Will, the courts decide what happens to your assets and who is responsible for your children. Please note, a Will is written instructions to the court. It is intended to reduce confusion—not avoid probate. If you want to avoid probate, an option to consider would be a trust. (This article focuses on basic legal documents.)

The second legal document, a Living Will, allows an individual to state their wishes for end-of-life medical care, in case they become unable to communicate their decisions. Without this, family members and even doctors can become restricted in medical decision making.

The final two documents are "durable" powers of attorney (POA) for medical care and finances. The POA for finances allows someone you designate to make financial decisions on your behalf, while the POA for medical issues allows someone to make health related decisions on your behalf. Sometimes, the POA for medical issues is coupled with a HIPAA Waiver. This waiver gives a doctor or medical professional permission to speak about a patient's medical condition.



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If you are married with kids, have these four basic legal documents completed as soon as possible. With no legal documents, you are currently on the government plan. What I mean is, if you die tomorrow, all your stuff could be dragged through probate. If you are in a mixed marriage, probate can be long and costly. Without a coherent legal strategy, your largest beneficiary could very well be Uncle Sam!

Finally, don't try to cut corners on your legal documents. Professionals carry expenses, but correctly prepared legal documents can prevent costly headaches. Don't skimp in this area.

In closing out this series, your financial health is impacted by the insurance you carry, the taxes you pay or don't pay, and the continuation plan you have in place (legal documents). Take the time to put your financial house in order and if you need assistance, seek professional help.

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