

Stewart's Spin

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Getting Your Affairs in Order – Recommended Resources for Organizing Records and Information for Your Family

One of the most important financial tasks that any individual, retired or otherwise, should tackle is spelling out “last instructions” if you become incapacitated or die. In doing so, you spare your family much work and heartache. If you already have an estate plan with all the necessary documents, you can move on to first, writing down the steps your family should take if something happens to you, and second, listing all the pieces and people that are part of your financial life such as assets, accounts, insurance policies, bills, debts, credit cards, passwords, bankers, lawyers and accountants.

If you search online, you can find many resources that give you worksheets that you can print out at no cost and complete. For instance, Everplans offers a dozen free checklists to get you started. Go to www.everplans.com, under the tab Resources & Guides, you can put in the search term “free downloadable checklists” and have many worksheets and checklists that you can download.

I found a checklist for Financial Accounts & Assets which includes the following: Important Financial Contacts, Financial Accounts & Investments, Credit Cards, Tax Returns, Property Owned & Rented, Vehicles, Loans, Safe Deposit Box and Misc. Valuables.

A worksheet for Digital and Online Accounts helps you manage the various services you use, such as emails, photos, social media accounts and payment/money management accounts, so they don't disappear or get deleted after you're gone (unless that is what you want).

One worksheet I'm particularly fond of is Make Sure Your Pets Are Taken Care Of. Here, you lay out information on Veterinarians, Medical & Vaccination Records, Health & Diet Needs, Pet Guardian, Financial and Legal Arrangements, and Toys, Activities, Quirks & Cuddles.

The Executor Checklist prepares the person who will be administering your estate plan with information that will make their job easier. In addition, you can also have them go to my website www.CustomEstatePlans.com to obtain “After the Death of a Loved One: Checklist for Administering an Estate”.



Putting all of this together may take some time upfront on your part, but your family will thank you later for making their job easier when it is time to administer your estate.

Excerpts from Walled Street Journal article by Glenn Ruffenbach on October 20, 2020.



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IF YOU HAVE A LADYBIRD DEED, BE SURE TO NAME AN ADDITIONAL INSURED ON YOUR PROPERTY INSURANCE

Some of you have a “Ladybird Deed” in which you have reserved a life estate for yourself and have named a beneficiary to inherit your property if you still own the property at the time of your death. The beneficiary may be your Revocable Living Trust or may be a person or persons. You should add your Trust or, if a person, this individual as an additional insured on your Homeowner’s Insurance Policy.

In a recent court case, *Strope-Robinson v. State Farm Fire & Cas Co* (8th Cir Feb 5, 2021), David Strope executed a Ladybird Deed naming his niece Dawn Strope-Davidson as beneficiary upon his death. Shortly after David’s death, his ex-wife intentionally set fire to the property. David had insured the property with State Farm, so David’s estate filed a claim for the loss. However, because title to the property immediately transferred to Dawn upon David’s death, no coverage was afforded under the policy. David no longer had an insurable interest in the property when Dawn became the sole owner under operation of the Ladybird Deed. To prevent this situation from happening, David could have added Dawn as an additional insured on his Homeowner’s policy.

I know this situation is rare, but to give your beneficiary time to purchase their own property insurance, you can ensure continuity of coverage by adding the beneficiary to your current policy. Especially if a home will be sitting vacant for a period of time, things can happen besides a fire, such as frozen pipes or vandalism.

