

Estate Planning Pitfall

You're hiding assets without telling anyone

George was a successful entrepreneur. He accumulated significant wealth during his lifetime, including several real estate parcels, a wide array of securities, retirement plan accounts and IRAs, and various collectibles, in addition to the home he owned jointly with his wife, Theresa. He also took out several life insurance policies on his life.

In his will, George designated Theresa as the beneficiary of most of the assets but divided up some of the other property between his two children. George named his wife and children as equal beneficiaries on the life insurance policies. Sadly, George died earlier this year.

The problem: George had hidden some of his assets without disclosing their location to anyone in his family. In other cases, his loved ones had no information about account numbers or passwords. And neither Theresa nor the children even knew of the existence of one of the life insurance policies and two of the IRAs.

What happens now? It will take considerable time and effort for the family to track down all the assets and it's not certain that they'll be completely successful. And the family will likely never collect on the life insurance policy or find the IRAs they were never made aware of. By being secretive, George made things more difficult for his loved ones and actually cost them money.

Don't make the same mistake. Have an open discussion with the relevant parties about your possessions. List all the assets you own and provide locations, account numbers, passwords, etc. Arrange for this information to be stored in a secure place. In the event you are incapacitated or suddenly pass away, your family will not have the added stress of not having access to your assets.

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Weinstock Manion

A Law Corporation

1875 Century Park East, Suite 2000
Los Angeles, CA 90067
(P) 310 553-8844 | (F) 310 553-5165
www.weinstocklaw.com