

# Don't wait until a crisis occurs to organize your important financial information

by Jill Hansen

Organizing your financial information and designating a trusted person to make decisions if you are incapacitated can be a lot like making a will. It forces you to



Lefler



Cook



Hearn

think about an event you really don't want to contemplate.

Only about 25 percent of us have relevant financial information organized in a way that would be accessible and intelligible to the person who takes over for us if we are disabled, said Lizanne Lefler, vice president of SilverStone Group in Omaha.

Tom Cook, president of Cook Financial Services in Lincoln, said that about 75 percent of the time, people have bits and pieces of financial information in junk drawers. Those drawers are likely to contain items with both relevant and outdated information that another person will have to sort out.

"Sometimes, especially with older couples, you see one spouse who knows everything about the finances and makes most of the decisions, while the other spouse is in the dark," said Terry Curnes, partner in Sharp Anderson Arena Curnes & Associates in Omaha. "It's hard for the uninformed spouse to learn everything he or she needs to know in a time of emotional turmoil."

Joe Hearn, vice president of Teckmeyer Financial Services in Omaha, and Omaha attorney Niel Nielsen have published a new workbook, "If Something Happens To Me," that offers one method of organizing

financial assets and liabilities.

"The workbook takes you through the steps involved in documenting your assets and liabilities, government benefits, insurance, estate planning, financial plans and preferences, and the names of people to contact in reference to each account," Hearn said.

"It's something you need to do at important junctures of your life, like getting married, having a child, retiring or moving into an assisted living facility. We think using the workbook can save you money, save your family a lot of grief and help you avoid legal and financial pitfalls."

The workbook comes with a large document organizer shaped like a briefcase so that all the relevant paperwork can be stored in one place, Hearn said. The workbook will take about two hours or part of a weekend to fill out, depending on the complexity of your finances. It can be ordered by contacting (888) 391-4344 or [www.ifsomethinghappens.com](http://www.ifsomethinghappens.com).

"It's not just a big book on death, it's a good resource for life," Hearn said. "It provides a non-threatening way for a person to sit down with appropriate family members to talk about important issues."

To avoid a mad scramble for records following a death or crisis, many clients depend on their financial advisor to maintain their information, Curnes said.

"Once a year at the minimum, we prepare inventories of all the appropriate information, including investments and insurance," he said. "It can take some of the emotion out of the situation if your financial advisor presents an objective viewpoint to family members."

The majority of married people give their spouse power of attorney in case of



Terry Curnes, middle, with co-workers at Sharp, Anderson, Arena, Curnes & Associates, Mary Curnes and Ken Stevens.

incapacity. Accounts that are held jointly can, of course, be handled by the spouse without this designation.

Many unmarried, divorced or widowed people designate a son, daughter or other relative to manage accounts, but they should inform everyone who could have an interest (such as their other children) before a crisis happens.

"Most people will assign power of attorney to just one child," Curnes said. "You can't take this lightly. You should talk with everyone involved about your wishes, to prevent battling within families."

More people are using computer software to organize finances, but most clients still don't, Curnes said.

If you put your information on the computer, make sure your spouse has access to the program, which may involve a password, he said.

It is a good idea to lay out a letter of intent, also called a "letter of wisdom," which is not a legal document but carries moral weight with family members and others who might be affected if you are incapacitated, Lefler said.

"The letter says to others, 'These are my beliefs and my intent if certain things happen. These are the things I would hope you will do,'" she said.

This is a way of reinforcing what, ideally, you have already communicated with your family members, Lefler said.

"No communication can cover every eventuality, but the more you have communicated, the greater the likelihood that

your wishes will be followed," she said.

You should tell family members which among your advisors — financial consultant, attorney, trust officer, accountant or insurance agent — knows you best.

"The advisor who has the best picture of you as a person and of your financial picture can be the leader in putting the pieces together during a crisis," she said.

"People are starving to be advised without the fear of being sold something," Cook said. "I need to understand clients' full financial picture and their goals before I feel I can ethically sell them a product. I don't want to sell them something they already have."

"It's like going to a doctor with a back pain. The doctor will take your temperature and have you stick out your tongue in addition to checking your back. He wants to examine your overall health."

The greatest fear of older clients is that they will outlive their money, Cook said.

"Having long-term care insurance gives you permission to use your nest egg, knowing that you will be taken care of if you need to spend part of your old age in an assisted living situation," he said.

People in their mid-50s should be looking for long-term care coverage, Cook said, because in middle age, your premiums might be as little as \$1,000 or so a year.

"The same coverage can cost three or four times that if you start when you're 70," he said.

The cost of premiums is affected by many factors, including your health history.