

# Welcome!

**June 17, 2019**  
**2:00 pm ET/11:00 am PT**

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## **Essential Financial and Estate Planning for People With ALS**

**Guest Speaker:**  
**Brian Chappell, CRPS, AIF**

**Hosted by:**  
**The ALS Association**  
**National Office-Care Services**  
**Ph: 800-782-4747 [cknoche@alsa-national.org](mailto:cknoche@alsa-national.org)**



# Estate and Financial Planning Essentials for People with ALS (PALS) and Their Families

**Presented by**

**Brian D. Chappell, AIF® CRPS®**

Wealth Advisor

Portfolio Manager

Retirement Plan Consultant

June 17, 2019

# My experience



**Brian D. Chappell, AIF® CRPS®**

Wealth Advisor, Portfolio Manager and Retirement Plan Consultant

Brian has more than 20 years of wealth management experience. In terms of his professional credentials, Brian is a FINRA-Registered General Securities Representative, Registered Investment Advisor Representative, and holds life insurance and variable annuity licenses. Brian has achieved the Wealth Advisor, Portfolio Manager and Retirement Plan Consultant designations offered to preferred advisors. He also holds industry designations of Accredited Investment Fiduciary and Chartered Retirement Plans Specialist. He received a B.S. from Troy University and competed in Track & Field.

Brian's mother was diagnosed with ALS in 2002 and he has been a volunteer with the ALS Association Florida Chapter since 2004. He is also a co-founding member and past inaugural chairperson for the North Florida Regional Council for the ALS Association Florida Chapter.

Overview

# Goals for today

Mutual agreement that financial and estate planning are critical for everyone

Highlight resources to help you following our time here today

Overview

# Financial Considerations

Financial Planning

Estate Planning

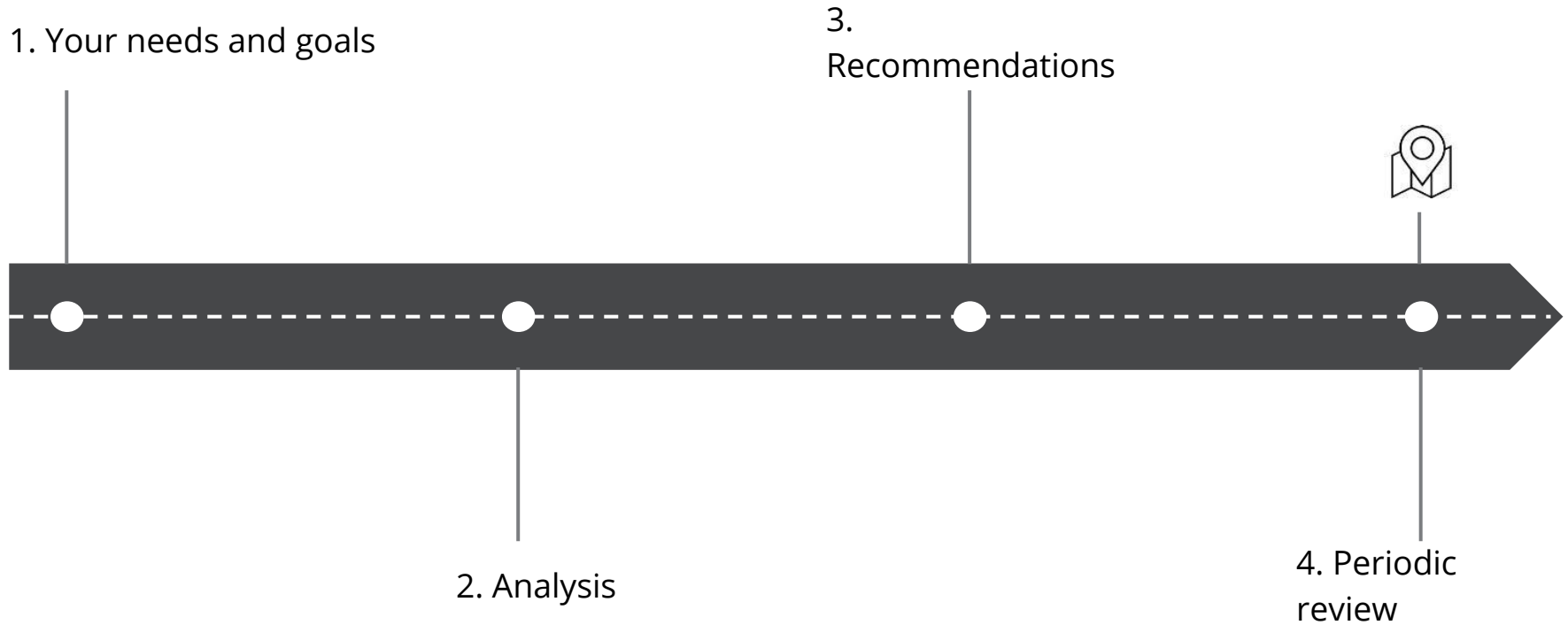
Other Financial Resources

## **Financial Planning**

Creating/updating a financial plan

# A financial plan reflects your life

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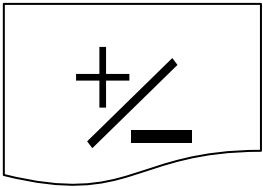


# Developing your financial plan

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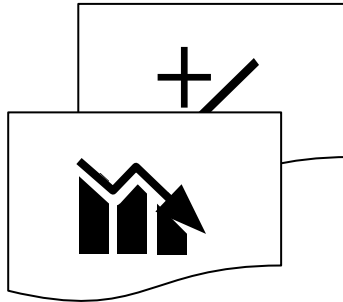
## Net worth

- Assets
- Liabilities
- Titling



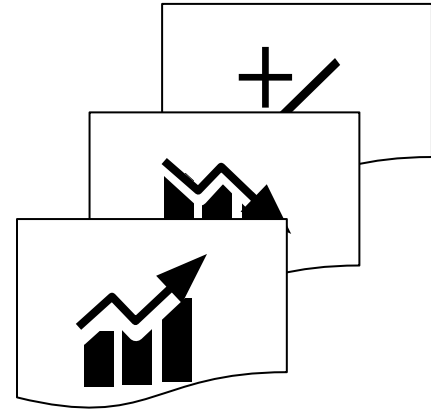
## Current position

- Asset Allocation
- Cash Flows
- Estate Plan



## Alternative plan

- Additional Strategies
- Alternative Estate
- Comparison





# The Planning Process

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In-depth discussions with an advisor.

The advisor drafts the plan, possibly with multiple scenarios.

You and the advisor must agree on the path moving ahead.

Strategies are implemented to enact the planning.

Periodic reviews and updates for changes in life are critical to success!

It should be an ongoing process instead of a one-time event.

# Segmenting your Assets

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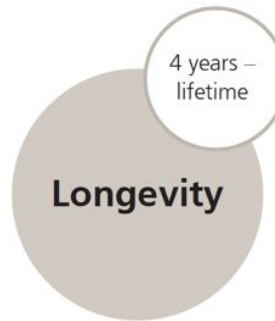
Think about wealth along three segments



Assets and Income that will be used over 2-5 years.

Highly liquid, easy to access.

Likely cash and cash alternatives.



Assets needed for life expectancy.

Invested for long-term.

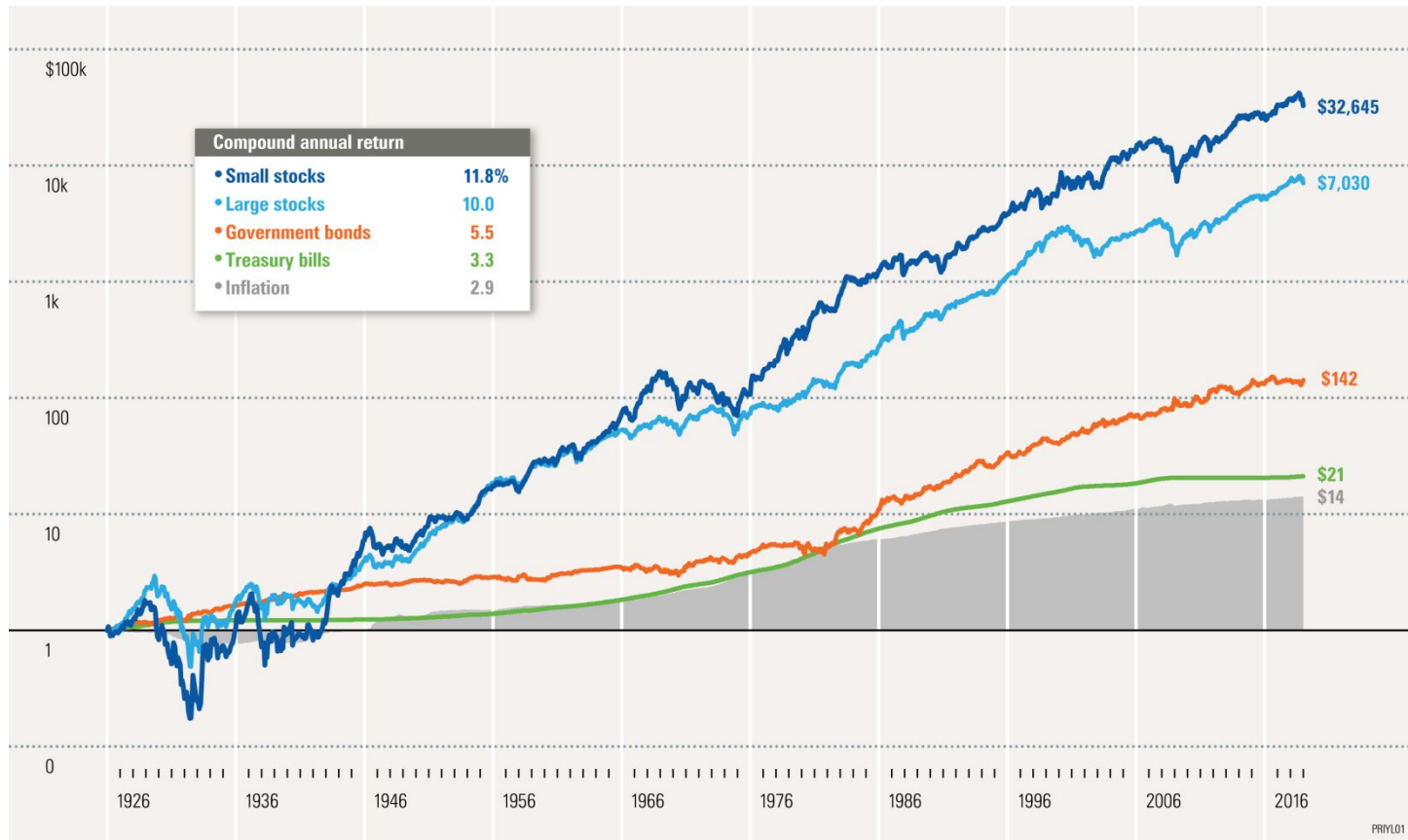


Excess assets not needed for life expectancy.

Can be used for charity during life or left as a legacy.

# Financial References

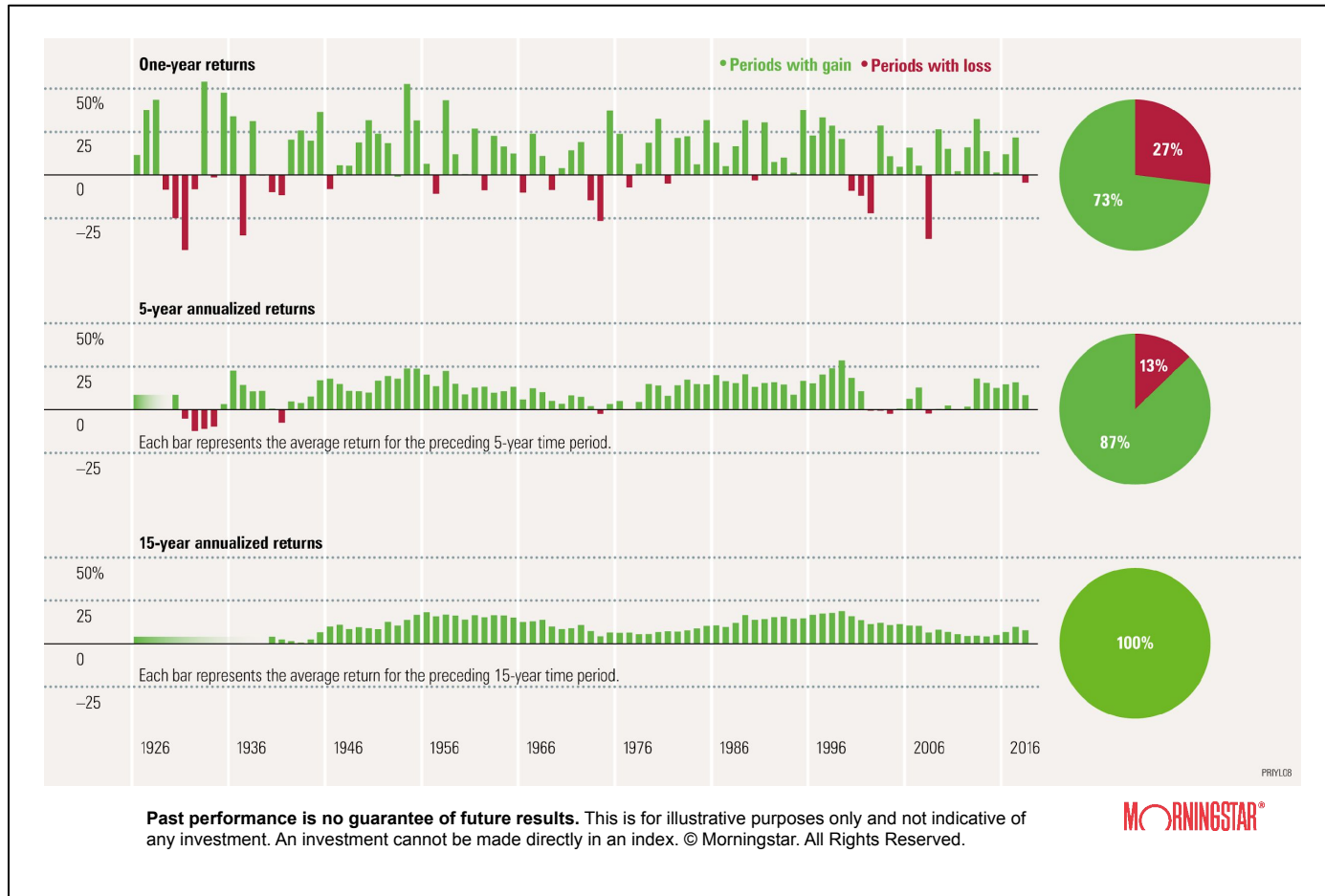
# Ibbotson® SBBI®—Stocks, bonds, bills, and inflation 1926 – 2018



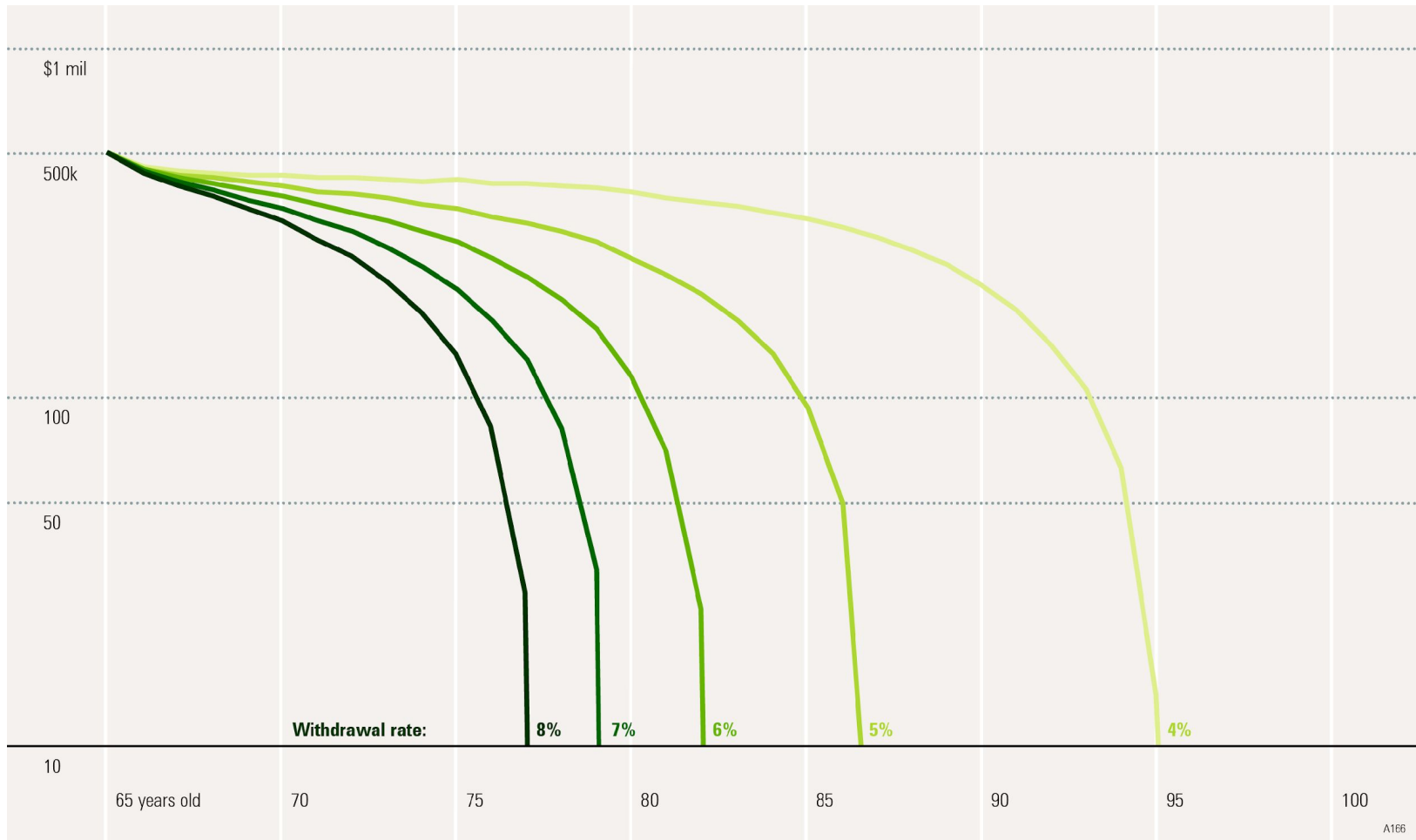
**Past performance is no guarantee of future results.** Hypothetical value of \$1 invested at the beginning of 1926. Assumes reinvestment of income and no transaction costs or taxes. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



# Risk of stock market loss over time—1926 – 2018



# assets—Simulated portfolio values (90% confidence level)



Important: Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



The basics

# Introduction to Estate Planning

# Estate Planning

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## What is it?

- Estate planning involves more than simply preparing for the inevitable. It involves,
  - Outlining goals and objectives
  - Organizing your financial affairs
  - Ensuring you will be cared for appropriately
  - Planning the distribution of your estate and
  - Communicating your intentions



# Estate Planning

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## Why it's important

- Proper estate planning helps you during life AND at death
- Reduces some of the burdens on caregivers, family members, etc.
- Allows you to make decisions ahead of time
  - Instead of relying on family members under stress, state laws or a court of law
- It can be an emotional process but it provides peace of mind and clarity
- The time and money spent on creating or revising your estate planning is well spent!

# Estate planning documents—What should you have in place?

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## **A single person and/or a married couple may execute the following as part of a basic estate plan:**

- Revocable living trust; and or
- A will
- Durable power of attorney for asset management
- Advanced health care directive or health care power of attorney
- HIPAA Authorization
- Declaration of guardian in the event of incapacity
- Declaration of guardian for minor children (in the event of the parents' death or incapacity)

Elder Law and Special Needs Law attorney may be warranted. Visit National Academy of Elder Law Attorneys [www.naela.org/findlawyer](http://www.naela.org/findlawyer)

Because of the complexities involved with developing tax planning strategies, experienced legal and tax counsel should be consulted before implementing a strategy. Today's topic is educational and is not intended to be legal or tax advice.

# Estate planning-Choice of legal forms: will vs. revocable trust

An estate plan is generally created in one of two ways, either through a will, or through a revocable trust.

- A **will** is a document that only takes effect at death, and governs property that is in the name of the deceased person, other than property passing pursuant to a beneficiary designation. In order to be given legal effect at death, a will must be approved by the court that has jurisdiction of the decedent's estate. This process, known as "probate," can be simple and relatively inexpensive, or can be costly and time-consuming, depending upon the specific circumstances of the estate.
- A **revocable trust**, also known as a "living trust," is a document that takes effect when it is executed, and it controls the disposition of property held within it both during the life of, and at the death of, the person who created it. Property that is held within a revocable trust at death is not subject to probate.

## The Will

- Simpler and less expensive to establish.
- No need to transfer title to assets during life.
- May be necessary anyway unless all assets have been transferred to revocable trust during life, or if assets are complex.

## Revocable Trust

- Avoids delay and expense incident to probate, so long as all assets are held within the trust at death.
- Protects beneficiaries who need assets immediately at death, for example, children of divorced or widowed parents.
- Can protect trust creators from their own disability or incompetence.
- More private than a will.

Insurance

# Types of Insurance You May Encounter

# Types of Insurance

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## Healthcare

To cover services from doctors, hospitals, Rx, diagnostic tests, etc.

- Employer provided, including COBRA
- Affordable Care Act, government exchange
- Veterans Administration (VA)
- Medicare
  - Coordinated with Social Security Disability Income (SSDI) eligibility
  - [www.medicare.gov](http://www.medicare.gov) (search for “ALS” or “disability”)
- Medicaid

# Types of Insurance

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## Long-term Care

To help pay for care when Activities of Daily Living (ADL) cannot be performed (e.g., bathing or dressing oneself)

- Policy benefits vary greatly
- If you have a Long-term Care policy ask your advisor &/or insurance agent to help you understand the policy and the services that the insurance carrier may provide
- Not everyone owns a policy

# Types of Insurance

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## Disability income

To provide income when one can no longer work due to a disabling illness or accident

- Employer policy
- Individually purchased policy
- Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) administered by Social Security Administration.
  - ALS is listed on their Compassionate Allowances Conditions (CAL) list reducing the time for eligibility
  - [www.ssa.gov/disability](http://www.ssa.gov/disability)
- If you have a disability policy ask your advisor &/or insurance agent to help you understand the policy benefits and other key provisions

# Types of Insurance

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## Life insurance

To provide a death benefit when the insured passes away. Other policy benefits may be available and vary greatly.

- Temporary (term) and permanent are two main types
  - Term policies (10 Year Term, 20 Year Term, etc.) may provide Option to Renew &/or Option to Convert without evidence of insurability
- Permanent comes in many forms. Common permanent types are Whole Life and Universal Life.
  - Permanent life insurance may have a cash value that can be considered as part of your planning
- For all policies ask about key provisions and living benefits, especially,
  - Waiver of Premium
  - Accelerated Benefits
  - Loans from Cash Value (permanent insurance)



# Types of Insurance

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## Life insurance (cont.)

To provide a death benefit when the insured passes away. Other policy benefits may be available and vary greatly.

- If explored, a Viatical Settlement Contract should be considered very carefully. Check with your state insurance commissioner regarding this practice.
- If you have a life insurance policy ask your advisor &/or insurance agent to help you understand the policy benefits and other key provisions. Provisions can vary state to state.

- Living with ALS Resource Guide 4

- "Planning & Making Decisions"
  - Employer considerations (workplace benefits)
  - Types of corporate retirement plans
  - Social Security, Long Term Care Insurance, etc.
  - Financial & Legal Issues including types of attorneys for estate planning

<http://www.alsa.org/als-care/resources/publications-videos/resource-guides/>

- Living with ALS Resource Guide 5
  - "Understanding Insurance & Benefits When You Have ALS"
    - Questions to ask your health insurance provider
    - Veteran's benefits
    - Social Security Disability Insurance
    - Disability insurance through an employer
    - Medicare, "Medigap" (supplemental) and Medicaid

<http://www.alsa.org/als-care/resources/publications-videos/resource-guides/>

## Wrap up

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Hopefully the importance of financial and estate planning is shared by all.

Having a team of effective financial advisors, estate or elder care attorneys, accountants, insurance, and other financial experts can be an effective strategy.

Nonprofit groups like the ALS Association provide many services and resources. Contact your Care Service Coordinator (Regional Program Manager in FL only) for additional assistance.

# Contact

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For questions not addressed today or for additional information on a topic, send me an email or give me a call.

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*Your email address will only be used to reply to your question.*

*It will not be added to any subscription list.*

# Important information regarding this presentation

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## **Equity risk**

The value of investments in equity securities will fluctuate in response to general economic conditions and to changes in the prospects of particular companies and/or sectors in the economy.

## **Fixed Income risk**

The value of the portfolio will fluctuate based on the value of the underlying securities. Two main risks related to fixed income investing are interest rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the issuer of the bond will not be able to make principal and interest payments.

## **International securities risk**

The value of the portfolio will fluctuate based on the value of the underlying securities. Foreign investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments.

**Mutual funds, [money market funds], and [Exchange Traded Funds] are sold by prospectus. *Please consider the investment objectives, risks, charges and expenses carefully before investing.* The prospectus, which contains this and other information, can be obtained by calling your Financial Advisor. Read it carefully before you invest.**