



**HOUGUM  
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July 2017 Newsletter



## **The Top 4 Reasons Your Life Insurance Policy May Not Be the Best Option**

Do you have life insurance? What is the reason why you purchased it? Is it to provide a specific payment or support a certain family member after you are gone? Maybe you want to use it to supplement a loved one's income or make sure a mortgage is paid off. You may also be counting on the life insurance policy being used to help cover end of life expenses, such as funeral or cemetery costs.

There are many decisions to be made when choosing the right policy for you and your family. While it begins by each of us taking a careful look at the reason why we are purchasing the life insurance policy, there is more to do. We need to carefully review the terms and conditions for the policy we purchase, or currently have, to know how it will operate when we need it to.

Often, our clients share that they are planning to use their life insurance policies to pay for funeral and cemetery expenses. When this is the purpose behind your policy, it is crucial you make sure it will be available the way you need it to be when you pass away. Let's look at the following four reasons why a life insurance policy may not be the right choice to pay for expenses like these.

1. Missing funds. The funds that are available for you today through your life insurance policy may not be available when you pass away to help your family cover (Continued on Page 2)

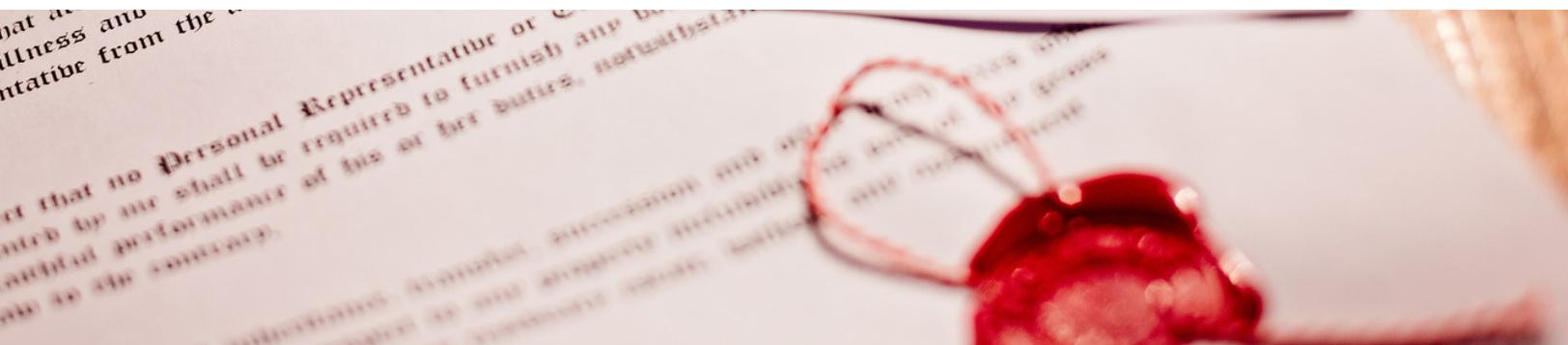
(Contd. from Page 1) your funeral expenses. For example, a loan might be taken from the policy during your lifetime that is never repaid, reducing the amount your family is counting on receiving, or it might have to be liquidated in light of long-term care planning strategies.

2. Shortfall and inflation. Inflation changes every year in the United States. This is something to consider whenever you choose a life insurance policy. Will your policy be able to handle the inflation or will there potentially be a shortfall in your policy? How will you account for the difference when your family needs it?

3. Delayed payout. The process of paying out a life insurance policy doesn't happen quickly. Often, the costs for funerals and cemetery expenses need to be paid immediately and cannot wait for a payout. Who will pay the upfront costs? Do not wait for your family to be surprised by these costs at a time they are grieving and already under a tremendous amount of stress.

4. Beneficiary misunderstandings. Naming a beneficiary for your life insurance policy should not be difficult, but there are questions that need to be addressed if you want this money to be used to pay funeral and cemetery expenses. Have you told your named beneficiaries what the money is to be used for? Do you have more than one beneficiary? Are they all in agreement on how the money should be used? What if your beneficiary dies before you? What if your beneficiary does not pay his or her share toward cemetery and funeral costs?

Before buying a life insurance policy make sure that you ask the questions you need answered by a trusted professional. If you're worried about paying for cemetery and funeral costs, bear in mind that life insurance is only one option available to you in your planning. You may also want to consider funeral insurance or funeral trusts or set up a specific savings account to make sure your beneficiaries have immediate access to use the complete amount of money you set aside for these costs when they need it the most. Don't wait to talk to the professional you trust to make sure your wishes will be honored and carried out when the time comes. Call us at (715) 843-5001 to schedule an appointment with Attorney Alan Hougum.



## Celebrate Your Independence by Making Wisconsin Advance Directives that Protect You!

When it comes to your future, how protected do you feel right now? Did (Continued on Page 3)

(Contd. from Page 2) you celebrate Independence Day knowing that you and your family are protected against uncertainty, no matter what the future holds? What worries you?

How do you get the peace of mind you want? Comprehensive Wisconsin estate planning with a law firm that not only plans for right now but well into your future. Don't wait to create the estate planning you need to make sure you and your family are protected in any scenario, including incapacity or death.

Specifically, when it comes to incapacity, you want to have created Wisconsin advanced directives that name an agent to act for you if you are incapable of doing so. Advanced directives, such as the durable power of attorney, give the legal authority to act to the person you want to make your decisions as you would have when the times comes.

Advanced directives are a part of a comprehensive estate plan. The purpose of advance directives is to let other people know what your wishes are and give the person you name as your agent the authority to act for you when you cannot. Without these decisions made through legal documents, in the event of your incapacity, your loved ones may have to go to court to have a decision maker appointed for you. This court process can be costly, time-consuming and stressful during an already difficult period. If your loved ones know now what you desire it will greatly help them make decisions for you in strenuous times and remove unwanted stress from your family.

You want to not only provide legal and financial decision making power, but health care decision making authority as well. Through your health care estate planning documents, you can authorize a person now who understands your wishes regarding your health care treatment and give him or her the authority to speak on your behalf when the time comes. If your doctors have a better knowledge of your medical history, which your surrogate will have the authority to share, they can make the wisest decisions for you and your health. Your medical team will have the added benefit of being able to speak to someone who knows your history as well as your wishes.

Do not leave July without the creation of these important estate planning documents checked off of your "to do" list. These planning tools enable family and friends to know what your needs, desires and wishes are if you become incapacitated. Now, while your health is good, is the time to create your advanced directives.

At the Hougum Law Firm LLC, we know and understand the challenges you face and we want to help you plan ahead to protect yourself and those you love most. Call us at 715-843-5001 or contact us to schedule an appointment with Attorney Alan Hougum.



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Attorney Alan Hougum and his compassionate team will help you protect yourself and the people you love with strategic planning strategies, such as wills, asset protection and trusts, powers of attorney, estate trusts, elder law planning, Medicaid crisis planning, Medicaid eligibility and application, probate and estate administration, avoiding probate, charitable planning and giving, special needs, and estate tax planning. Hougum Law Firm, LLC, serves the entire Wausau, Wisconsin area.

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305 S. 18th Avenue, Suite 200, Wausau, Wisconsin 54401. Do you have questions you need answered before or after your appointment? Just let us know! Contact us by email at [info@hougumlaw.com](mailto:info@hougumlaw.com) or call us at 715-843-5001.