

A Practical Guide to Inheritance Planning[©]

Prepared for:

Compliments of:

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An Introduction to the Inheritance Planning Guide

Naming your executor or estate trustee reflects the high standing you hold for another person, and is, perhaps, one of life's highest compliments.

When you entrust someone with the responsibility for administration and distribution of your personal assets to your family, friends and charities, it comes with a high level of responsibility and accountability and is not a task to be taken lightly.

ERAssure® has prepared this simple to use "Inheritance Planning Guide" to help you through your own planning process. The guide is intended to raise awareness around some of the areas that may create challenges and raise risks for your executor(s), help gather information that will be helpful to them, and ultimately provide guidance and support to your executor(s) to help them administer your estate to the terms of your Will.

How to Use this Guide

This guide is broken into three general areas that are all easy to work through. You can work through this alone or together with your Advisor.

The **first part** identifies areas that may create some challenges for your executor(s) and includes a simple assessment tool. It also includes a 'directive' to provide your executor(s) with the help and security they need to confidently fulfill their role on your behalf.

The **second part** documents basic information and key contacts your executor(s) will need to know when they first assume the role and is information you should share with your executor(s).

The **last part** documents key information about your estate that will help you make your executors' duties in securing assets and liabilities much easier. This confidential information should remain with your Will.

Communication is one of the biggest challenges with estate administration and this planning guide will go a long way to setting the foundation for a smooth inheritance transition. If desired, it can open dialogue with the executor(s) and beneficiaries and help clarify wishes and manage expectations.

This guide is not intended as a replacement for a Will or Power of Attorney. Sound financial, tax, and legal advice are always important components of every plan.

ERAssure® also produces a complimentary **Executor Guide**® that can be provided to your executors by itself, or together with the Inheritance Planning Guide. The Executor Guide will provide them information about the role and responsibility of the appointment, and will help them in the estate administration process. To obtain a copy, please visit www.erassure.com or call 1-855-636-3777.



If you currently have a Will and Power of Attorney in place, this Guide can help to ensure they are current and provide meaningful information to those that will require it at a later date.

If you don't have a Will and Power of Attorney, this Guide can help you document some of the information you will need to complete a Will and Power of Attorney. Legal advice is always suggested when drafting formal Wills and Power of Attorney documents.

Power of Attorney and Wills

Overview: The intention of this section is to provide you a very high level overview of the topic of Powers of Attorney and Wills, to highlight the importance of having these formally addressed, and the implications to those in the role, specifically for those people acting as both Power of Attorney and estate Executor.

Why do I need a Will?

Many people don't believe they need a will because their affairs are simple. A Will ensures your estate will be distributed according to your wishes, but there are many other reasons to have a Will. A person who dies without a will dies "intestate". If at the time of your death you do not have a Will your estate will be distributed according to your provinces intestate succession laws. What this means is that immediately after your death no one will be able to handle your affairs until the Court appoints an Estate Executor and this Executor may not be the person you desired. The distribution of your assets will also be subject to rules determined by the Court, which may lead to a distribution of your estate assets that does not adequately look after your desired beneficiaries, and most likely will not address the distribution of your assets as you may have wished.

What is a Power of Attorney, and why do I need one?

A Power of Attorney is a legal document where one person gives another person the power and authority to act on his or her behalf. The person giving the power is called the donor; the person receiving it is called the "donee" or "agent".

A Power of Attorney typically refers to the *power to make financial and property decisions*. Typically a different (though equally important) legal document is used *for decisions about personal care*, although in some provinces personal care and financial matters can be in the same document.

There are several different types of powers of attorney in Canada. Each province uses slightly different language, and very importantly, each has different laws for making and relying on these powerful documents.

Important:

Every person should have Power of Attorney documentation in place for both property and personal care. Doing so today allows YOU to choose a person you trust to fulfill this role. Having a Power of Attorney in place allows that person to take the appropriate actions for your personal care and financial matters if you become incapacitated.

If your Executor is also your Power of Attorney, they should be aware that they have certain duties they must follow and may have to account for their actions while acting as Power of Attorney. They should also know that their actions as Power of Attorney will likely have some impact on them in their role as Executor, specifically if there are any items of concern or contention.

Your financial advisor and lawyer are your best resources to formalize your own powers of attorney. If you don't know a Wills and Estates Lawyer, you can locate one in your area at www.erassure.com/find-lawyer.

Inheritance Planning Guide[©]

Retain with your Will

To be retained with your Will

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What it Means When You Name an Executor

Overview: The Executor role is complex because of the variety of skills required, time consuming because of the sheer volume of tasks that need to be managed, and challenging because the relationships involved can be strained due to the combination of emotions and money.

The confidence of the Executor(s) to perform their role in accordance with *your* wishes can be greatly enhanced when there is clear indication of support and protection. One of the most important provisions to accomplish this is the "Letter of Direction for My Executor(s)/Trustee(s)" for the use of professional services for legal, financial planning, real estate, and accounting/tax *and* the purchase of Executor Liability Insurance for their peace of mind.

Executor Tasks:

- obtaining the probated Will of the decedent;
- advertising for and/or notifying creditors and claimants/beneficiaries;
- accounting for the assets and liabilities of the estate;
- collecting and securing the assets of the estate;
- protecting the assets of the estate;
- paying the liabilities of the estate and collecting any receivables;
- filing final tax returns of the estate
- verifying claims against the estate;
- liquidating the assets of the estate.
- distributing the assets of the estate; and
- accounting for the administration of the estate.

This is a brief summary of tasks, and is not intended as a comprehensive or conclusive list in any manner.

Beneficiary Expectations Management

Communication is one of the key variables to support a smooth transition of an estate. Sometimes the issues are sensitive and problematic and in these instances your Advisor can be invaluable as a conduit for dialogue.

Overview: The answer to the following questions can help bring forward potential areas of concern that might later impact the smooth transition of the estate. If the answers to these questions identify any potential concern areas, it might be valuable to establish a plan to address these concerns in advance.

Discussion Points:

- 1) Has there been any open dialogue with either the Executor(s) and/or Beneficiaries about the Will, provisions within, and your desires and intent? If so to what extent?

- 2) Is your Will current and properly reflecting your intentions?

- 3) Do you have any concerns with the beneficiaries/children relating to;

- Are there any 2nd marriages with possible challenges?

- Are the relationships between siblings good? What about spouses? Or relationships to the Executor(s)?

- Do they all have secure employment? Are there any major financial disparities?

- What are their capabilities with handling finances? Do they have liberal spending habits, significant debt load?

- Would any beneficiaries be deemed by the others to be either preferentially treated, or have any been excluded in the Will?

4) Do you have loans or co-signed agreements with any beneficiaries or others? Are they well documented and is the intent of how you would like these handled by your executor(s) clear in the Will?

5) Are any property, bank accounts or other assets held in joint names with beneficiaries or others?

6) Who is named Power of Attorney - For Property? For Personal Care?

7) Have any of the beneficiaries provided you, or received from you, what the others might deem to be extra help with finances, care, time spent together, use of the seasonal residence?

8) Do you have any specific assets of real or sentimental value that you would like handled in a specific manner? Is this clear in the Will both in direction and intent?

9) Would a similar Estate discussion focused on their own needs be valuable or helpful to any of the beneficiaries? Understanding the process better? Managing expectations?

Estate Risk Profile

Overview: The “Estate Risk Profile” section provides a quick overview of the common variables that most often are responsible for triggering an estate claim. For a quick estate assessment, circle the number corresponding to your answer to each question, and total your score at the bottom of the page.

Family Dynamics

	YES	MAYBE	NO
Are there any unique family dynamics such as a second marriage, blended family, a history of acrimony between family members OR spouses; any financial issues with any of the beneficiaries or their children, or health or drug related concerns?	2	1	0
Has there been any unique handling of family members by such as unequal cash or property distributions or access to heirlooms; any potential ‘black sheep’ in the family OR extended family; have any beneficiaries held a disproportionate care-giving role that might be looking to be recognized for their efforts?	2	1	0

Executor Specific

Are there multiple Executors involved; do they share the same relationship to you; are they all in agreement in how best to involve the use of professionals for legal, tax, accounting, investments and real estate; are any of the Executors or service providers to the estate seen as potentially having personal conflict; is the Executor(s) also your Power of Attorney?	2	1	0
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Investments

Are there any significant financial assets of the estate that might be complex in nature; are there debts of the estate, or did you secure any unpaid loans on behalf of anyone including family members, beneficiaries or others and are they clearly documented; are there any charitable groups listed as beneficiary?	2	1	0
---	---	---	---

Directives of the Will

Is there a legal Will, or is it handwritten or done by do-it yourself methods; are the instructions within the Will clear, logical and likely to avoid contest by any of the beneficiary group; do all the beneficiary group know the contents of the Will; has anyone been left out, or is there disproportionate allotment of the estate assets?	2	1	0
--	---	---	---

Real Estate

Is there a cottage or family assets/antiques or heirlooms that might have significant emotional value to one or all family members; has any one of the beneficiary group or extended family been living in your principal residence or have primary use of the cottage; any foreign or rental properties?	2	1	0
---	---	---	---

Non-Real Estate Assets

Is there a family business or other business assets that require management or sale; is there a clear succession plan in place; is it in harmony with the Will directions and expectations of the beneficiaries?	2	1	0
--	---	---	---

TOTAL SCORE

--

A moderate to significant profile score would suggest that Executor Liability Insurance protection would be advisable for the benefit of the estate and executors. The following Letter of Direction will provide such support for your executor(s). Complete it and keep it with your Will.

Score:
0 = low risk;
1-3 = moderate risk;
4 or over = significant risk

Letter of Direction for My Executor(s)/Trustee(s)

Executor Name	Address	Phone Number
1)		
2)		
3)		

As my Executor(s) I authorize you to purchase, at the expense of my estate:

- Professional services as you deem fit and appropriate in the care of my estate. The intent of this direction is to ensure that my Executor(s) charged with administering my estate have the benefit of professional resources where required to manage investments, property, and business interests, and to provide legal, accounting and tax advice, ultimately for the benefit of the beneficiaries; AND
- An Executor Liability Insurance policy for Executor(s) and estate risk protection. The intent of this direction is to ensure that my Executor(s) charged with administering my estate are protected by insurance.

Signature of Testator:

Date:

(dd/mm/yyyy)

Testator Information:

_____	_____	_____
First Name	Initial	Last Name

Street Address		

_____	_____	_____
City	Province	Postal Code

Important Estate Information for My Executor(s)/Trustee(s)

Name of Estate:	
The Will is stored at:	
The funeral arrangements are with:	
The bank is:	Branch Location:
The safety deposit box is located:	

Key Contacts:

Lawyer

Name	Firm	Phone Number
------	------	--------------

Accountant

Name	Firm	Phone Number
------	------	--------------

Financial Advisor

Name	Firm	Phone Number
------	------	--------------

Insurance Broker

Name	Firm	Phone Number
------	------	--------------

Key Business Contact

Name	Firm	Phone Number
------	------	--------------

Key Family Member

Name	Relationship	Phone Number
------	--------------	--------------

Executor Liability Insurance - ERAssure:

Name	Customer Service Representative	1-855-636-3777
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Detailed Estate Information

Estate Information

Name	SIN
Address	Passport Number
Date of Birth	Employer

Executor Information

Name	Address	Phone Number
Name	Address	Phone Number
Name	Address	Phone Number

Power of Attorney Information

Name	Address	Phone Number	Personal Care
Name	Address	Phone Number	Property

Financial Institution Information

Name	Account Type	Account Holder(s)	Account Number
Name	Account Type	Account Holder(s)	Account Number
Name	Account Type	Account Holder(s)	Account Number

Insurance Information (Life)

Insurance Company	Agent	Policy Number	Beneficiary	Face Amount
Insurance Company	Agent	Policy Number	Beneficiary	Face Amount
Insurance Company	Agent	Policy Number	Beneficiary	Face Amount

Insurance Information (General)

Insurance Company	Broker	Policy Number
Insurance Company	Broker	Policy Number

Investment Information

Company	Broker	Account Number
Company	Broker	Account Number

Pension/Annuity Information

Company	Date of Deposit:	Amount of Deposit:
Company	Date of Deposit:	Amount of Deposit:

Lawyer Information

Name	Firm	Phone Number
------	------	--------------

Accountant Information

Name	Firm	Phone Number
------	------	--------------

Properties

Address/Location	Property Manager	Key Location	Mortgage Holder
Address/Location	Property Manager	Key Location	Mortgage Holder
Address/Location	Property Manager	Key Location	Mortgage Holder

Other Asset Information

Type	Address	Contact Person
Instructions		
Type	Address	Contact Person
Instructions		
Type	Address	Contact Person
Instructions		

Passwords

Banking	UserName	Password
Telephone	UserName	Password
Utilities	UserName	Password
Facebook	UserName	Password
Twitter	UserName	Password
LinkedIn	UserName	Password
Other (specify)	UserName	Password

Executor and Estate Liability Insurance Application

If you are currently acting as an Executor, complete this application and return it to your advisor/broker, OR send it to ERAssure at:

Estate Risk Protection Plan Inc. - ERAssure
30 Duke Street West, Suite 902
Kitchener, ON N2H 3W5

Fax: 1-866-897-8901

Email: application@erassure.com

If you have any questions about Executor and Estate Liability protection, please do not hesitate to call 1-855-636-3777 and speak with a dedicated specialist.

Estate Trustee Liability Insurance Application - Part A

(including Estate Trustees, Executors and Estate Administrators)

Decedent Details

Last Name:		Given Name:		Initial:	
Primary Residence Address:		City:	Province:	Postal Code:	
Date of Birth:			Date of Death:		

Details of the Will

Is there a will? <input type="radio"/> Yes <input type="radio"/> No If No, proceed to the next section; if Yes, please provide a copy.
Status of Probate (select one of the following): <input type="radio"/> Probate has been granted <input type="radio"/> Probate will be obtained within 12 months. *IMPORTANT: The coverage period and liability limits are restricted prior to the Will being probated.
Is there a secondary Will? <input type="radio"/> Yes <input type="radio"/> No If yes, are the Estate Trustees and Beneficiaries the same on each will? <input type="radio"/> Yes <input type="radio"/> No
Are there any Beneficiaries outside of Canada? <input type="radio"/> Yes <input type="radio"/> No If yes, location(s) of foreign Beneficiaries: <input type="radio"/> US <input type="radio"/> Other: _____

Estate Assets

Estimated total value of estate assets: (Note: Estates over \$3 million will require additional underwriting information)
Are there any foreign assets? <input type="radio"/> Yes <input type="radio"/> No If yes, approximate value of foreign assets (if known): _____
Are there any business assets? <input type="radio"/> Yes <input type="radio"/> No If yes, approximate value of business assets (if known): _____
Were any of the deceased's assets transferred to another party or sold in the 2 years prior to the Date of Death? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Unknown If yes, please provide details on Schedule A.
Is there current and up-to-date physical damage insurance and third party liability insurance on the estate assets? <input type="radio"/> Yes <input type="radio"/> No

Lawyer Details

Insurance Broker Details (if applicable)

Law Firm Name:	Brokerage Name:
Address:	Address:
Lawyer Name:	Broker Name:
Phone:	Phone:
Email:	Email:

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Estate Trustee Liability Insurance Application - Part B

Estate Trustee Information (all questions in this section are relative to the Estate Trustee named below)

Is there more than one Estate Trustee? Yes No
 If yes, please complete a copy of this page for each Estate Trustee

First Name:	Middle Initial:	Last Name:		
Date of Birth: (dd/mm/yyyy)		Email Address:		
Home Address (Street):		City:	Province:	Postal Code:
Home Phone:		Cell Phone:		
Occupation of Estate Trustee:				
Is the Estate Trustee providing professional services to the estate as a Mortgage Broker, Investment Advisor, Real Estate Broker, Insurance Agent or Insurance Broker, Public Accountant or Solicitor? <input type="radio"/> Yes <input type="radio"/> No				
If yes, please provide the following:				
Company Name: _____				
Address: _____				
Street _____				
City _____ Province/State _____ Postal Code _____				
Phone Number: _____				
Education Level of the Estate Trustee:				
<input type="radio"/> Some High School <input type="radio"/> High School <input type="radio"/> Some College/University <input type="radio"/> Unknown				
<input type="radio"/> College/University <input type="radio"/> Graduate School <input type="radio"/> Other: _____				
Estate Trustee's Relationship to Decedent:				
<input type="radio"/> Spouse <input type="radio"/> Child <input type="radio"/> Sibling				
<input type="radio"/> Parent <input type="radio"/> Other: _____				
Was the Estate Trustee appointed in the will? <input type="radio"/> Yes <input type="radio"/> No				
If no:				
• Was the Estate Trustee selected by: <input type="radio"/> Beneficiaries/Family Members <input type="radio"/> Courts/Other				
• Date of Appointment (if known): _____				
Is the Estate Trustee also a beneficiary of the estate: <input type="radio"/> Yes <input type="radio"/> No				
Was the Estate Trustee also the Power of Attorney? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Not Applicable				
Is a testamentary Trust being created? <input type="radio"/> Yes <input type="radio"/> No				
If yes, is the Estate Trustee also a Trustee of this Trust? <input type="radio"/> Yes <input type="radio"/> No				
(Note: Trusts will require additional underwriting information)				
Were there any previously named Estate Trustees? <input type="radio"/> Yes <input type="radio"/> No				
If yes, please provide details on the circumstances that led to a new Estate Trustee being appointed on Schedule A.				
Have any claims for damages been made, either verbally or in writing, including any circumstances or threatened action which any reasonable person would expect to give rise to a demand for damages against the estate or any of the estate trustees (past or present)? <input type="radio"/> Yes <input type="radio"/> No If yes, please provide additional details on Schedule A.				

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Estate Trustee Liability Insurance Application Schedule A

Page 1

Were any of the deceased's assets transferred to another party or sold in the 2 years prior to the Date of Death?

Yes No Unknown

If the value of the asset transferred or sold exceeds \$50,000 or 10% of the total value of the estate assets, please provide details.

Transfer	Sale	Date	Description of Asset	Estimated Value of Asset	Reason for Sale/Transfer
<input type="radio"/>	<input type="radio"/>				
<input type="radio"/>	<input type="radio"/>				
<input type="radio"/>	<input type="radio"/>				
<input type="radio"/>	<input type="radio"/>				

Page 2 - Additional Information

Were there any previously named Estate Trustees?

Please provide details on the circumstances that led to a new Estate Trustee being appointed.

Have any claims for damages been made, either verbally or in writing, including any circumstances or threatened action which any reasonable person would expect to give rise to a demand for damages against the estate or any of the estate trustees (past or present)? Please provide additional details.

If you would like to be kept up-to-date on current issues regarding estate administration and Executor liability through our newsletter, please go to www.erasure.com or call 1-855-636-3777.

Courtesy of



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