How Much is That Claim Going to Cost Me?

Chris Richmond, CIC, AAI, CMIP

By Chris Richmond
For WorkBoat Magazine, February 2024

Clients often ask whether a claim they are reporting is going to affect their premium. . Insurance companies need to make a profit in order to remain in business – so as a matter of practice they will take a look at the amount of premium they have taken in compared to the amount they have paid out due to claims. Let' take a look at the process involved with an underwriter coming up with your premium.

Insurance underwriters look to insure profitable businesses, and when I say profitable, I mean profitable to the insurance company. They want the risk to have a favorable loss ratio. A loss ratio is calculated by taking the amount paid out in claims for the last five years and dividing it by the total premium paid to the insurance company for the same five years. Insurance companies vary in their loss ration percentage but generally fall between 35% and 50%. If the client's loss ratio is too high the underwriter will either non-renew the policy or increase the premium.

You might be wondering about where the rest of the premium goes. Part of this goes to employee salaries, marketing, broker commissions, claims expenses, loss control visits, etc. In short, the remainder is what the insurance company has to operate as a business.

There are some factors that can be to your benefit when looking at your overall premium. Insurance companies like long-standing customers and if you can show more than five years of claims-free business with them then they can often take that into consideration. The insurance company will be less likely to drop you due to one large shock claim if they have made a profit from you over the long term.

If you have multiple vessels, you should keep them all insured with the same insurance company. The increase in premium with one company helps your loss ratio by diluting any claims you may have.

The same goes with combining your remaining policies with one company. If you are able to add property, commercial auto, marine general liability and the like with one company then they will look at the combined premium with calculating your loss ratio.

Bonnie Lewis Earns ACSR

Designation

Bonnie
Lewis

Bonnie Lewis, a member of the business insurance team at Allen Insurance and Financial, recently achieved the designation of Accredited Customer Service Representative in Commercial Lines from the Independent Insurance Agents & Brokers of America.

The ACSR program is a nationally recognized designation that provides participants with a strong insurance foundation, customer service skills and the technical knowledge necessary to succeed in today's agency environment.

A 30-year insurance industry veteran, Lewis joined Allen in 2012. She works with businesses and individuals across the Mt. Desert Island region from the company's office on Main Street in Southwest Harbor.

Independent Insurance Agents & Brokers of America is the nation's oldest and largest national association of independent insurance agents & brokers with more than 300,000 members. Online: independentagent.com.

Abraham Dugal Named Director of Investment Management

Abraham Dugal, CFP®

Abraham Dugal, CFP®, has been named Director of Investment Management at Allen Insurance and Financial.

Dugal has been a financial advisor at Allen since 2015. In his new role, Dugal will manage our investment portfolio oversight process, collaborate with our advisors for client investment decisions, and lead our retirement plan practice.

“Abe is well-suited to take on this leadership role in our financial division as we seek additional growth in this area of the services we provide to our clients,” said Michael Pierce, financial advisor and company president.

A native of Lincolnville, Dugal is a graduate of Camden Hills Regional High School and Babson College in Wellesley, Mass., where he majored in business management with a concentration in finance. He holds FINRA Series 66 and 7 securities licenses and maintains the CERTIFIED FINANCIAL PLANNER™ designation. He lives in Camden with his wife and son.

What Can a Financial Advisor Do for You?

How can you get closer to achieving your financial goals? Depending on your income, assets, investments, and personal knowledge of finance, you may feel you can do a great job managing your money on your own. But according to a recent report from Boston research firm Cerulli Associates, the number of Americans willing to pay for financial advice has increased from 38 percent in 2009 to 63 percent in 2022. Why are more clients seeking help, how can a financial advisor make a difference, and is the advice worth the cost? Let’s explore answers to these questions.

There are many reasons why you might need a financial advisor:

Complex investment options. As the financial landscape changes, there are many more choices to make regarding investments, along with new regulations that may be difficult to navigate without professional guidance.

Aging baby boomers. A large percentage of the population is nearing retirement and seeking help to figure out how to maximize their savings to live comfortably after ending their careers. Longer life expectancies have also made retirement planning and guidance more important across age groups.

Economic factors. In times of market volatility, financial guidance becomes especially important. Inflation was a big concern for many people in 2022. Financial advisors can help answer questions like “will rising inflation affect my goal of retiring in the next 10 years, or do I need to adjust my portfolio to better keep up?”

The Benefits
There are many ways a financial advisor can offer value and assistance you may not be able to achieve on your own.

Saving time, reducing stress, and avoiding mistakes. Sure, you can do all the research, but having professional advice you trust and a knowledgeable person to ask when you’re unsure takes much less time and reduces the anxiety of trying to get it right on your own. In addition, working with an advisor can help you avoid making critical financial mistakes (e.g., taking on an inappropriate level of risk within your portfolio for your investment goal), which can be costly and detrimental to your financial plans.

Professional advice. Even if you devote time to doing your own financial research, an advisor likely has a more comprehensive financial education and more investing experience than you have. The experience an advisor brings can inform your strategies and get you closer to achieving your financial goals.

Staying on track. Regular check-ins with your advisor can help keep you on course toward your financial goals, keep track of your progress, and adjust your saving and investing strategies when necessary.

Comprehensive planning. Although you may have the resources to study new investment options or specific savings tools such as IRAs or 529 plans, it would be time-consuming to master the wide-ranging planning strategy that a financial advisor could help you create. In addition to asset accumulation, an advisor can provide insight into budgeting, saving, retirement planning, estate planning, tax planning, debt management, risk management, and business planning.

Possible access to connections. Advisors may collaborate with a network of attorneys, CPAs, insurance agents, and other professionals who can work together to help you achieve your goals.

How to Evaluate and Choose an Advisor

The best way to begin your search for a financial advisor is to ask family and friends for recommendations. If someone you know and trust vouches for the advisor, of course, there's a better chance of finding a good match versus choosing one at random. So, what should you look for when choosing an advisor to help guide your financial decision-making?

Firm affiliation, experience, and certification. Just as you would evaluate the résumé of a potential hire, you should evaluate the education and background of a potential financial advisor. If your advisor has designations, research them and find out what the requirements were for obtaining them. Some designation requirements are more rigorous than others. You may want to look for continuing education, any examination requirements and adherence to a code of ethics.

Fee structure. Some financial professionals collect commissions based on the investments they pick or the products they sell you. Others charge a flat fee or a percentage fee based on assets under management regardless of their recommendations or your investments. Be sure to ask about your financial advisor's fee structure and how they get paid.

Trust and personal attention. Your advisor should give you as much information as you need to make the best financial decisions for you and your family. So, it's important to feel your advisor is listening to you, considering your circumstances and needs, and making recommendations you trust.

The Value

Whether working with a financial advisor is worth the cost depends on several factors. You may consider whether the potential investment growth you expect will be more than the advisor fee, but that’s not the only consideration. As the saying goes, time is money. So, the time you may save if you don’t have to educate yourself about various aspects of financial planning and investing should also factor into the benefit. You can also consider the benefits of working with a financial planning professional over time for things such as retirement planning, saving for education, and tax planning. Finally, the sense of financial security a trusted advisor can provide is priceless to some.

If you, a friend, or family member is considering working with a financial advisor, we’d love to hear from you. As always, we aim to provide support and help you reach your financial goals.

Market Outlook for 2024

By [Daniel Bookham]
For [WorkBoat Magazine – January 2024]

As we dive into 2024 it is time for me to break out the crystal ball once again and offer up my predictions for the shape of the insurance market for this coming year. I have been talking to a lot of fellow agents and brokers as well as folks on the insurance company and reinsurance side of the equation, and several broad trend lines have emerged.

First, the good news (at least from a risk management and broader economic perspective). The marine insurance market is expected to continue to grow in 2024. The cargo market is predicted to show some modest growth and when coupled with continued increases in property and vessel values and increasing demand for marine insurance products from emerging markets, the increased premium generated should help shore up insurers' balance sheets against continued claims turbulence.

However make no mistake, we are not out of the woods yet. The inputs that drive concern among insurers show no signs of slackening or decreasing in potential severity. The increasing value of global trade, the growing complexity of global supply chains, the rising frequency and severity of natural catastrophes, potential broader economic instability, the ongoing conflicts in Ukraine and the middle east, and what will likely be turbulent election campaigns in the US, the UK, Mexico, Taiwan, and India among others could lead to uncertainty and instability that bleeds over into the insurance markets.

Additionally, the hard market that hit with full force last year is likely going to continue well into 2024 if not into 2025 (the smart money is on at least a three-year cycle). As a reminder, a hard insurance market is characterized by higher premiums, stricter underwriting standards, and reduced availability of coverage, and comes about because of a combination of historical underpricing of risk, increased frequency and/or severity of losses, underperforming investments, increased reinsurance expense, and broader economic pressures.

With that noted, the marine insurance market is expected to be characterized by several trends in 2024 that echo those we saw in 2023, including a continued hardening of rates, an increasing focus on underwriting profitability, an increased demand for new and innovative marine insurance products, and the increasing use of technology to improve (or at least rationalize) underwriting and claims handling.

In my market predictions for last year that were published in February 2023, I noted that companies that focus on the fundamentals of risk management, claims management, and safety culture would be best positioned to ride out the tightened underwriting and higher rates of a hard insurance market. This remains true, but it is important to be aware that as we head into the second year of this hard market good risks can get caught up with the bad as insurers push to either return to or increase profitability. Good companies can still usually hold their insurance costs down but be aware that this wave ultimately breaks over all of us.

Maine’s New Paid Family and Medical Leave Program: A Closer Look for Employers

The Allen Benefits Team

As Maine gears up to implement its Paid Family and Medical Leave

Act (MPFML), there are important details for employers to consider. While the 1% state premium tax takes effect on January 1, 2025, the first paid benefits won't begin until May 1, 2026. This long lead time allows the state to pre-fund the program, but it also creates a unique window for employers to explore alternatives.

The Benefits Team at Allen Insurance and Financial is recommending that employers seek quotes for private replacement plans. Starting April 1, 2025, the state will begin accepting applications for private insurance plans that can substitute for the state-run program. If approved, employers would be excused from paying the state's 1% premium after the first quarter of 2025. With private plans commencing coverage on May 1, 2026, this strategy could create significant cost savings for businesses during the interim, without any loss in benefit coverage.

Why Consider a Private Plan?

Private insurers have extensive experience managing PFML programs in other states and offer plans that fully comply with Maine's requirements. In contrast, the state's 1% tax is based on preliminary estimates and may not reflect actual costs. Private insurers have more accurate data on pricing and also offer fully trained staff, ensuring smoother administration.

Employers could save significantly by adopting a private plan. For one of our customers, an 80-employee group could save more than $14,000 annually in PFML premium cost and avoid more than $88,000 in state tax pre-funding over 13 months.

For employers with existing short-term disability (STD) plans, it's worth noting that private insurers we work with plan to re-price STD policies to reflect the introduction of PFML coverage. In other words, since mandated PFML coverage will pay many of the benefits currently covered by an STD plan, the cost of STD will come down.

Why would an employer continue to have both PFML and STD? PFML pays 12 weeks of benefits compared to 26 weeks for typical STD plans, and the PFML benefit is capped at the State Average Weekly Wage. An STD policy would fill those gaps, ensuring that employees are not having their benefits reduced. This would also remove any gap in coverage for those with Long Term Disability coverage.

By exploring these private options, Maine employers can optimize their benefits strategy while controlling costs.

Questions? Contact a member of the Allen benefits team. We're here to help.


Employment Law Summary

Maine

Paid Family and Medical Leave

Covered Employers

Eligible Employees

Maine's Paid Family and Medical Leave Act (MPFML) is designed to provide workers up to 12 weeks of paid, job-protected leave per year, starting in May 2026. Leave will be permitted for family and medical reasons, military exigency and reasons resulting from abuse or violence. While the 1% state premium tax took effect on January 1, 2025, the first paid benefits won't begin until May 1, 2026. This long lead time allows the state to pre-fund the program, and it gives businesses time to prepare for possible alternatives.

Insurance companies should be ready soon to provide quotes for private replacement plans. **If your business has 15 or more employees and you would like us to contact you when quoting is available, please fill out the form below.**

The state will begin accepting applications for private insurance plans that can substitute for the state-run program on April 1. If approved, employers would be excused from paying the state's 1% premium after the first quarter of 2025. With private plans commencing coverage on May 1, 2026, this strategy could create significant cost savings for businesses during the interim, without any loss in benefit coverage.

This PDF has additional information, including a handy chart to help determine whether an employee is eligible for this program.

Name of Business

Contact Name

Contact Email

Contact Phone Number

Number of W2 employees

Name of ancillary insurance carrier (dental, vision, life, accident)

Additional notes/comments

Submit

Δ

Maine’s New Retirement Plan Mandate

You may have heard recently that the State of Maine is instituting a mandatory, state-wide retirement plan program. Beginning in January 2024, all Maine businesses with five (5) employees or more will need to either offer their staff a company sponsored retirement plan (SIMPLE IRA, 401K, etc), or accept the state’s Roth IRA (MERIT) retirement option for their staff. This PDF is a brief summary of the state requirements. For additional questions, you can reach out to Cait Harrington of Allen Financial at charrington(at)allenfg.com.

Food in every seat. Help for

every family.

On Monday, January 15, 2024, AIO Food and Energy Assistance will host its fourth Fill The Strand food and funds drive to benefit AIO’s Food Assistance, Energy Assistance, Weekend Meal, and Diaper Assistance Programs. This event challenges the community to fill every seat in the historic theater with bags of food and funds for AIO’s programs. AIO has raised over $85,000 in the first three Fill the Strand events. The goal for the fourth event is to raise $30,000.

“Fill The Strand has become AIO’s signature event of the year, providing food and money at the most critical time” says AIO Executive Director Joe Ryan. “Powered by Allen Insurance and Financial and hosted by The Strand, this event is a powerful testament of a community that cares for one another. As many families face greater challenges making ends meet, AIO continues to keep pace with the need for food and energy assistance. In the past year, we have provided over 975,000 pounds of food through more than 10,000 visits to our pantry market.

“That is a 40% increase over last year’s record-setting number of visits! Fill The Strand is vital to keeping food available for those who need it.”

Monetary donations are welcome – and in fact your dollar goes further since AIO can purchase food through partners at a competitive price. Individuals can fill one theater seat with a bag of food or sponsor a bag at $25. Your $25 monetary donation can buy up to $100 worth of food. Those interested in sponsoring a bag through a financial donation can make it online at www.aiofoodpantry.org/strand.

Non-perishable food with a current expiration date is appreciated (no glass please). AIO would be grateful for donations of the most needed items including: ready rice pouches, macaroni and cheese and pasta; cereal and oatmeal; pop-top canned foods and Chef Boyardee meals; single serving lunch items; kid-friendly snacks; 100% juice boxes; shelf stable milk; snacks (granola bars, peanut butter crackers, 6-pack raisins). Whether a monetary gift or food donation – your support will help the people in our community who need it the most.

Food collection sites have been established at area businesses, including Allen Insurance and Financial offices (Rockland and Camden), The Strand Theater, First National Bank (Rockland branches), Main Street Market (Rockland) and AIO Food and Energy Assistance (Rockland).

On January 15th volunteers will be at the Strand Theatre between 9 a.m. and 2 p.m. to receive food and funds donations. Drive-up and drop-off service will be available or come in the Strand Theatre to deliver your food and funds donations.

AIO is proud to partner with two business leaders who are instrumental in making the Fill The Strand event possible – The Strand Theater who hosts the event and Allen Insurance and Financial who helps power the event, through their financial support as well as team of employees who volunteer during the day of the event in greeting donors, collecting and organizing donations. .

AIO is grateful to the generous support of its sponsors. Leadership level sponsors include First National Bank and First National Wealth Management, Maine Sport and Rockland Plaza. Partner level sponsors include Gartley & Dorsky, The Inn at Ocean’s Edge, 250 Main Hotel, Lyman Morse and North Haven Inn & Market. Champion level sponsor is Journey’s End Marina. Business level sponsors include Hundred Acres, Plants Unlimited, and Jess’s Market. A list of all sponsors can be found at www.aiofoodpantry.org/strand.

“Supporting an organization like AIO is a part of our company’s commitment to community well-being,” said Michael Pierce, president of Allen Insurance and Financial. “Lending people-power to the Fill The Strand event fosters a sense of shared responsibility among our employee- owners and enriches lives beyond the workplace.”

“We look forward to hosting this terrific event each winter! “Fill The Strand” brings our community together in a fun and exciting way as we do the important work of supporting Midcoast families in need. It’s a thrill to watch those seats fill up, and the Strand is proud to be the place where the action happens,” shares Jana Herbener, Communications Relations Manager at the Strand Theater.

For more information about the event and how you can participate please contact event coordinator Leila Murphy, murphy.leila@gmail.com.

About AIO Food and Energy Assistance
AIO has provided nutritious food and heating assistance to Knox County families. Funding and access to AIO’s programs are more critical than ever as food insecurity in Knox County is projected to continue to increase. Knox County currently has the 4th highest food insecurity rate in the state. Child food insecurity is estimated at 28%. During the past year, AIO has supported 5,896 households, 15,672 individuals, and distributed 12,325 weekend meals packages for elementary school students throughout Knox County. AIO’s Energy Assistance Program helps households with heating assistance or electrical disconnection prevention – which is critical as winter begins. Last winter AIO distributed 691 energy assistance vouchers, totaling $208,000 in support. AIO provides a direct path for donors to assist our

community by putting your donation to work immediately.

To Roll Over—or Not to Roll Over—Your 401(k)

As you advance in your career and hold jobs at various companies, you may discover at some point that you've left behind valuable cookie crumbs: a trail of employer-sponsored retirement accounts. Leaving previous plans with former employers saves you from having to take any action, and you still have the ability to roll them over later. If you prefer the investment choices with your old plan or that plan has lower fees than a new 401(k) or IRA, you might want this option. Also consider that you won't pay a tax penalty for taking a distribution from your employer's 401(k) after you turn 55, which you would pay on an early withdrawal from an IRA.

So, while there can be benefits and it may feel easier to leave them as they are, managing and keeping track of those cookie crumbs could become burdensome. Consolidating or rolling them over into one account is one way to alleviate that burden. Here is helpful information to help you decide whether a rollover is the best choice for you.

Benefits of a Rollover

Simplicity and streamlining. One major benefit of consolidating your retirement accounts into one account is that there's less information to track. You'll receive one statement, have only one retirement account to manage (with one password and one account number), and be able to see your overall financial picture more clearly by reducing multiple savings sources to one.

Avoiding overlap and easier rebalancing. When you have multiple retirement savings accounts, you might assume your investments are sufficiently diversified, but this may not be true. Over time, as portfolios shift due to market movement, rolling all of your accounts into one allows you to properly analyze asset allocation in one place instead of many.

Keeping track of RMDs. Starting at age 73, you must withdraw minimum amounts, called required minimum distributions (RMDs), from your retirement accounts each year. With multiple retirement accounts, it's more difficult to calculate accurate RMD amounts and there are steep tax penalties for underestimating RMDs and missing the deadline. Combining accounts can help reduce these risks.

Potentially fewer fees. 401(k) plans incur various fees, including administrative, management, investment, and service charges. By combining accounts, you may pay fewer fees. In addition, you may be able to avoid certain fees altogether if fee reductions are dependent on the total account balance.

Estate-planning convenience. Thinking about your death isn't pleasant, but it's important to consider the responsibilities your loved ones and beneficiaries will have when you're gone. With all of your retirement funds in one place, there will be less work for your family to do when tracking down your assets.

Your Rollover Options

Roll into your new employer's 401(k) plan. If you have a new job and establish a retirement plan with your new employer, one option is to roll your previous account balance into your new plan. Requesting a direct rollover of funds from previous employer to new employer is a nontaxable transaction that retains creditor protection.

Roll into an IRA. Whether you’re switching jobs or retiring, rolling your retirement savings into an IRA might give you more flexibility in how you manage the money you’ve saved. IRAs often have a wider range of investment options that might not be offered by an employer’s 401(k) plan. In this type of account, your investments continue to grow tax deferred, meaning you’ll pay taxes upon withdrawal. Please note: You can’t borrow from an IRA as you can with a 401(k), and RMDs are still required at age 73.

Roth IRA. Withdrawing traditional, pretax assets from a 401(k) into a Roth IRA is known as a Roth conversion. By doing so, you will owe income taxes on the amount converted in the year of the transaction. One benefit of this strategy is that any additional earnings in the Roth IRA can grow and be withdrawn at retirement age tax free (as long as the withdrawal occurs at least five years after the Roth account was created).

Take a cash distribution. Although this option might seem appealing if you have debts or major expenses, there are many reasons not to withdraw your funds. One major drawback is potentially not having enough money to retire or maintain your lifestyle in retirement. In addition, you could pay significant penalties and taxes for early withdrawal.

Rollover Tips to Keep in Mind

Whether you roll over to a 401(k) or an IRA, these are trustee-to-trustee transfers where the money moves directly from one provider to the next. If you receive a check in your name, you may have inadvertently requested a withdrawal, which would result in owing income tax on the amount and additional penalties if you have not yet reached retirement age. If this occurs, contact the recordkeeper immediately to discuss a correction.

When considering a Roth, note that your 401(k) could have Roth or after-tax dollars already within it, and these assets will transfer to a Roth IRA without additional taxes. Contact the recordkeeper to determine if the dollars in your 401(k) are on a pretax or post-tax basis—or a mix of both.

If you are considering rolling over money from an employer-sponsored plan, you often have the following options: leave the money in the current employer-sponsored plan, move it into a new employer-sponsored plan, rollover to an IRA or cash out the account value. Leaving money in plan may provide special benefits including access to lower-cost investment options; educational services; potential for penalty-free withdrawals; protection from creditors and legal judgments; and the ability to postpone required minimum distributions. If your plan account holds appreciated employer stock, there may be negative tax implications of transferring the stock to an IRA. Whether to rollover your plan account should be discussed with your financial advisor and your tax professional.

---

4 Questions Adult Children

Should Ask Their Parents Over the Holidays

It’s beginning to look a lot like Thanksgiving . . . and then Hannukah, Christmas, Kwanzaa, and New Year’s Eve will follow. These are prime holidays for family gatherings, which can offer in-person opportunities to have important conversations. You may be inclined to keep the chats light and stick to topics like television shows and the weather to avoid conflict, but there’s one subject you should be discussing, even though it might be uncomfortable: estate planning.

Of course, the thought of your parents or relatives passing away is not a pleasant one. Still, if their wishes aren’t discussed beforehand, there are a lot of sticky legal and financial messes that you’ll be left to clean up—and you could potentially lose money or assets as a result. It’s ideal to talk about plans openly and early, while your parents can make these decisions for themselves and tell you what they want. Make sure anything that needs to be in writing and signed is taken care of and ask where to find key documents. A holiday gathering with your parents and siblings present might be a rare chance to make sure everyone is on the same page.

Estate plans are a good idea regardless of your age. So, while you’re discussing your parents’ wishes and possibly arranging for an estate planning consultation for them, think about having one for yourself, too. This is especially important if you have young children and wish to designate a guardian for them in case you die before they turn 18. Not sure how to broach these subjects with your family? Bring this article to share and start with these key questions.

1) Do you have a will, DPOA, or trust? A **will** is often considered the main document you need for estate planning, but there are others to help ensure that everything goes according to plan. The main purpose of a will is to make two designations, specifically who:

- The recipients of your property will be after your death
- The executor, the person who will take care of the administration of the estate

If someone has minor children, they can also use their will to designate a caregiver in the event of their death. If your parents don’t have a will, those determinations will be left to state law and the courts and may not be what they want.

Another helpful document to have is a **durable power of attorney (DPOA)**. This allows your parents to choose someone to act on their behalf in financial matters if they become physically or mentally unable to do so.

Finally, a **trust** is an optional—but potentially useful—separate legal entity allows your parents to manage their property and designate someone to manage it for them after their death. One major benefit of a living trust is that it keeps their assets out of probate, so their beneficiaries can avoid court intervention. It may also help your loved ones avoid paying some taxes on an inheritance.

If your parents confirm that they have a will, it’s a step in the right direction. Ask them where it is, and what you should know about their wishes. The people who are appointed as executor, trustee, and power of attorney should know what will be expected of them.

2) Do you have a health care power of attorney (HCPA) or living will? Just as a durable power of attorney designates a trusted person to take care of financial matters, an HCPA allows someone to make decisions about medical care. For example, they can authorize life support, hydration, and other medical treatments and make health care decisions for your parents if they are incapacitated. That person should know what your parents' wishes are and be trusted to carry out those plans.

A **living will** is another health care document that is authorized in some states and grants their health care provider permission to take specific action in the event that there is no reasonable hope of recovery.

3) Where are your important papers stored? Even if your parents have taken the steps to establish a will; create other estate planning documents; compile their financial statements; and keep a record of their accounts, assets, debts, passwords, and other sensitive information for you, that won't do much good if you don't know where they're located or can't get access. Many financial advisors can provide a document for their clients to record this information so everything is in one place. Just be sure you know where it is—whether it's a fire-safe box, a desk drawer, or under a mattress.

4) Are you working with an estate planning professional, or do you need help connecting with one? Regardless of how complicated your parents' situation is, if they want to be sure their wishes are recorded and carried out correctly and according to legal requirements, it's wise to seek out an attorney and/or financial advisor for guidance.

As always, we aim to help keep you informed and prepared about financial matters that affect you and your family. If you—or your relatives—have any questions about the information in this article, please feel free to reach out to our office via phone or email.