



# Beneficiary Newsletter

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*The Company You Keep®*

## Do You Need a Will?

A will is one of the most important documents you can create in your lifetime. Think of a will as the financial blueprint of the distribution of your assets after your death. Your will clearly states who will inherit your assets, when they will inherit your assets, and any conditions that must be met for them to receive your assets. If you die without a valid will, the court does not have your financial blueprint to follow. Therefore, it has no way of knowing how you may have wanted to distribute your assets. The state where you lived steps in and makes the decisions for you, according to the distribution schedule set forth in its intestacy statutes. The state's decisions may or may not conform to your wishes or to what is best for the people closest to you.

## Common Misconceptions

*Myth:* "My assets are so small that a will is not necessary."

*Fact:* Think again. You are generally worth more than you give yourself credit. Even if some possessions do not hold great monetary value, they could hold an enormous amount of sentimental value — and that's something you can't put a price on. Failing to indicate who receives these treasures in your will can cause friction between family members that lasts for decades.

*Myth:* "When I die, my spouse will get all of my assets."

*Fact:* If you and your spouse own assets jointly, at death your share of the assets will automatically go to your surviving spouse. What happens when your surviving spouse dies? What will your children receive? Does your spouse have the financial skill to manage the family wealth?

*Myth:* "I can create a will on my own and save the legal costs."

*Fact:* "Do-it-yourself" wills often do not contain all of the necessary components as required by law. Anyone who might benefit from an invalidation of your will can contest it, and if the courts decide in his or her favor, your estate may have to pay for all legal costs. Remember, the few dollars you save now can cost your loved ones thousands of dollars later.

*Myth:* "I don't want my final wishes to be set in stone. I'll create a will later in my life."

*Fact:* The terms of a will can change as often as needed. Legal experts agree that you should reexamine your will periodically to make sure it is up-to-date. A will should receive a "checkup" whenever there is a substantial change in your life.

## How Do You Create A Will?

Drafting a will is difficult and is not an endeavor you want to tackle single-handedly. It's important that you call on the services of an estate-planning lawyer. A lawyer might help you:

- Avoid the possible problems of "do-it-yourself" wills

- Save on estate taxes
- Take advantage of estate planning opportunities people often overlook
- Change the terms of your existing will

## Life Insurance And Wills

How does life insurance fit into the picture? Life insurance is a vehicle you can use to help make sure your estate is not severely depleted at death by estate taxes and other costs. In most instances, life insurance proceeds are paid income tax-free to your beneficiary (ies). Without life insurance proceeds, a portion of your estate may have to be sold to meet "final" expenses, like estate taxes, funeral costs, and outstanding debts.

## Don't Wait Until It's Too Late

Despite the importance of an estate plan, which includes a will, 70% of Americans still do not have one\*. Why? Creating a will forces each of us to come face to face with our own mortality—and dealing with death is difficult. But, it will be much more difficult for your loved ones if you don't have a will. Remember, you should seek the services of a qualified attorney to draft your will.

To learn more about how life insurance and annuities can help you protect your family and your financial future, contact your New York Life agent, call 1-800-865-3094 or return to [www.newyorklife.com/beneficiary](http://www.newyorklife.com/beneficiary)

\* [www.nolo.com/lawcenters/encyclopedia/willsandestateplanning/wills](http://www.nolo.com/lawcenters/encyclopedia/willsandestateplanning/wills), 2002.

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