
NOVEMBER 2013

We are ALL Insured.

It is a matter of due diligence. In my practice, I always have to ask this question: 'how do you plan to handle your ability to pay for a catastrophic illness or injury?'

Usually there is a pause, and then an answer. Some say 'Medicare will pay for it' others say "my daughter is a nurse, she will care for us.' Others say 'we have Long Term Care Insurance'. The list goes on and on.

When I ask that question it isn't a product lead in. It is a method to see how the prospect's mind works to grasp issues. Revealing their grounding to reality, and their logical thought process helps me help them to understand where they are in their problem solving. This allows me to probe a little deeper. 'Have you thought about what a day would look like in your life and the lives of your loved ones when your health does deteriorate?'

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- \$50,000 Income Today
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We are ALL Insured(cont)

This question usually has no quick answer. That is because none of us want to imagine the day we lose control over our lives, and what we chose to do. The prospect of losing our freedom and independence is usually a thought process we block out and do our best to not confront.

The fact of the matter is we will all face that day, and whether there are only a few days, or a multitude of days that follow, that is God's decision, and not ours.

How we choose to approach this is to realize that we ARE insured against this. We can either do nothing, meaning the costs whatever they may be fall to our savings and loved ones, we can hope the government will always be there, along with the strings and red tape attached, or we can choose to transfer the financial and physical burden to a solid financial strategy that includes this reality. So, we are ALL insured. The only question is, whose money do we use?



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“Only buy something you’d be perfectly happy to hold if the market shut down for 10 years.”

“Rule #1: Never Lose Money; Rule #2: Never Forget Rule #1.”

Probate is simply the Latin word for prove, which means that the estate probate process is the process by which your will is brought before a court to prove that it is a valid will. The courts charged with this responsibility are generally known as probate courts, which may actually supervise the administration or settlement of your estate.

The probate process is governed by state statutes that are intended to accomplish **three primary objectives:**

1. To preserve estate assets.
2. To protect the rights of creditors in the payment of their claims before the estate is distributed to the heirs.
3. To assure that the heirs receive their inheritance in accordance with the terms of the estate owner's will. Once the estate's personal representative (executor or administrator if the estate owner died without naming a personal representative) is approved by the probate court and posts a bond that is required,

the probate process generally proceeds as follows:

The personal representative must "prove up" the will -- prove that it is a valid will signed by the estate owner who was competent and not under duress or influence at the time of signing.

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Notice must be given by the personal representative to all creditors to make prompt claim for any money owed to them by the estate.

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The personal representative must prepare and file an inventory and appraisal of estate assets.

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The personal representative must manage and liquidate estate assets as appropriate to pay all debts, fees and taxes owed by the estate.

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Finally, the remaining estate must be distributed to the heirs in accordance with the estate owner's will (or the state laws of intestacy if there was no will).

While It is not uncommon for the probate process to require a year or more and considerable expense before the estate is finally settled, proper planning can serve to minimize the impact of the probate process on your estate and heirs.

Addressing Inflation Concerns

- Many income riders guarantee a minimum interest rate on the income value and may have specific income options to help address inflation.
- The potential for increasing income could help ease concerns about inflation

PERSISTENCE by Les Brown

I believe there are three kinds of people. There are winners, who know what they want and understand their potential and the possibilities. They take life on. Next are losers, who don't have a clue as to who they are. They allow circumstances to shape their lives and their self-image. I believe there is a third group as well. This consists of potential winners whose lives are just slightly out of alignment. I call them wayward winners. It may be that they just need to learn how to be real winners. Perhaps they've hit a bump or two that has knocked them off course and they are temporarily befuddled.

Wayward winners are not lost souls; they just need some tweaking and coaching and nudging to get them back on course. Right now, there are many wayward winners out there who still believe that they have untapped talents. They plunge onward, believing that sooner or later they will find their way again. Other wayward winners have temporarily given up. They are damaged and disoriented, their confidence badly eroded. They tend to drift through life numbly.

It is difficult for others to understand the rawness of a broken heart or the aching emptiness of an unguided spirit. Wayward winners know that there are possibilities out there, but too often they feel locked out from them. Some are afraid to risk any more because of what they have risked and lost already.

I know now that as difficult as it may be for wayward winners to do, it is necessary to continue to test themselves. Even though you have been hurt before, it is the only way to grow. You know there are going to be tough times as you go about changing your life, so brace yourself and you will be able to handle them.

Try this technique to help you through the difficult times of change and growth. Find four reasons why you cannot succumb to your fears and your troubles. For example: You have not yet tapped the talents given you. You want to leave something more for your children. You want to live life rather than letting life live you. You want to do what makes YOU happy.

It is in these rocky moments of bringing change to your life that you discover who you are. In prosperous times, you build what is in your pocket. In tough times, you strengthen what is in your heart, which is when you gain insight into yourself that leads to self-mastery and an expansion of your consciousness as a life-force in both your personal and professional lives.

"Because the soul has such deep roots in personal and social life and its values run so contrary to modern concerns, caring for the soul may well turn out to be a radical act, a challenge to accepted norms."

-- Thomas Moore

Medicare and Long-Term Care

Long-term care is used to describe a variety of services that include both medical and non-medical care for people who have a chronic illness or disability. Long-term care services can be provided at home, in the community, in an assisted living facility or in a nursing home. To understand what services Medicare will and will not pay for, it is necessary to distinguish between two types of long-term care services:

Medicare will pay for medically-necessary care provided in a skilled nursing facility or through home health care only if certain conditions are met. Specifically, Medicare will pay for your stay in a skilled nursing facility.

Custodial care is non-skilled personal care, including homemaking services and help with the activities of daily living, such as bathing, dressing, eating, getting in or out of a bed or chair, moving around and using the bathroom.

Long-term care is expensive. One year of care in a nursing home, based on the 2008 national average, costs over \$68,000 for a semi-private room. One year of care at home, assuming you need periodic personal care help from a home health aide (the average is about three times a week), would cost almost \$18,000 a year."

UPCOMING EVENTS.

1. Medicare Open Enrollment, Oct 15th-Dec 7th.
2. Social Security Information Meeting, November 7th, AmericInn, Waconia
3. Social Security Information Meetings November 12th, Hutchinson Community Center

To Register for the Social Security Meetings, Please call (800) 848 4029.

Tools for Thought

❖ *When I am meeting with a prospective client for the first time I live in a world of 'what if'. My goal is to get them to frame a picture in their minds of how the tools they have acquired for the financial future are going to work.*

This exercise is designed to focus the mind on why they own a particular mutual fund, annuity, or series of investments. My job is to cement the concept that the prospective client is, in reality self-insuring if they are not using tools that transfer the risk of (a) running out of money in retirement, (b) not keeping up with inflation in retirement, and (c) accounting for a catastrophic illness.

The goal of most people is to be secure in their retirement and transfer the physical and financial risk away from themselves. The use of certain annuities that guarantee a doubling or trebling of income in the case of confinement are good tools that do not carry the costs of an LTC policy. The use of certain annuities that peg income increases to the CPI (consumer price index) often gives raises greater than the income increases in Social Security or most pensions.

If you do not have any of these type of tools in your financial tool box, I encourage you to close your eyes, and think about 'what if'. Only a tool that 'guarantees' an income stream/enhanced benefit can make your relax.

Social Security Meetings and Me, a place We all Learn.

For the past few months I have been focusing on social security benefit meetings. These have been as much of an education for me, as for the people who took the time to come and see and hear the presentation.

Whenever I start a new project, I usually choose something about which my knowledge is either vague or incomplete. To get to the point where I am comfortable standing at the front of a room to answer questions and promulgate information, I have to read, listen, study and memorize new facts and scenarios.

This exercise has taught me not only facts, but also the heartfelt concerns of my attendees, clients, and prospective clients. In each case, they teach me as much as I try to help them; it all makes me a better professional and a better resource to my clients.

In each subsequent meeting I have learned that the biggest concern people have is about their future income. Will it be there? How can I make sure my assets will fill income gaps? What if the market crashes just before I want to retire? How can you help me?

Good questions. Fortunately, I have answers. Because everything SR offers is guaranteed to protect against principal loss, and inflation, I can safely state that these meetings help people in ways they never expect.

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