

A STORY OF NAVIGATION



Jim and Sally have a boat they love. Love of boats and being on the water is how we met. for 12 years, their boat has been parked next to ours in the marina. Their boat is their entertainment, refuge, and focus of their lives. So for 12 years, we have had many conversations. One of them, in particular, comes to mind.

Over the last 12 years, the conversation went something like this:

“My financial advisor is the best, and I’ve always made money with this guy. He’s great, and I love the work he does for me!”

“Great, Jim. I have one question. Did you and Sally ever get that LTC plan you were talking about, or get your powers of Attorney done?” My concern was that since they were both on 2nd marriages they take care of making sure they could make decisions for each other. I also thought it strange their ‘Advisor’ was so much against looking in to programs that might protect them should something happen.

However, I got the same response every year: “No, he said we don’t need it. He said the stock market is always going to be more efficient than any insurance plan, and the he can make us more money than any Long Term Care policy, or Hybrid would ever pay us. He also said that since her money is in her name and mine is in mine, we don’t even need a will.”

For 12 years I’ve had this conversation with Jim. For 12 years, he repeated the same Pablum. I did my best to get them to focus on issues their ‘Advisor’ was not addressing. In the the end they took no action.

Year 13 was different than the previous 12. In the spring on the 13th year, Sally had a hip replacement. It didn’t work out that well for her, and she did not do her physical therapy. Her health declined, and in the middle of winter, she had a stroke. After that stroke, she had another one, and finally had to be taken to a nursing home where she is now on 24 hour medical supervision. Her cognitive skills, as of now, are gone, and she remains semi-conscious. A tragic situation for a woman so young.

Consequences.

A few days ago I was sitting on the dock talking to Jim. He was disturbed. The previous day he had a meeting with a lawyer who was advising and representing him to the State. Sally had her attorney, too, and Jim was paying both tabs.

“I got really bad news yesterday”, he began. His head drooped. “I don’t have any idea what she has in all of her accounts, and I can’t make any decisions, financially or medically. I can keep my house but I’m going to only be allowed to keep one car, and \$100,000 of assets.”

I nodded.

“That means I will have to sell our boat.” He was almost in tears. “She has declined to the point where she is not coming out of this coma, and it costs \$275 a day. We’ll lose everything.”

I discovered something I did not know; they didn’t even have a medical directive. “Jim,” I began, “what is the prognosis?”

He sighed. “They can keep her alive as long as nothing else happens. There isn’t going to be a recovery and there isn’t anything that’s wrong with her that’s going to change anything.”

Just then, another dock mate sat down at the table. Jim looked up “Hi Paul.”

Paul sat in the chair, and nodded. “How is it going, Jim?”

Jim lifted his head, stared at Paul and asked: ‘do you have Long Term Care Insurance or a Power of Attorney?’

“No,” Paul replied.

“Well get them! Now! *You need to get Long Term Care Insurance for you and Nancy, and powers of attorney!* If we had these things I would not be going broke, and having to sell my boat!”

Paul demurred.

Jim, now getting a little deep in his thoughts, repeated to me what he told Paul. Everyone who walked by and asked Jim how things were going got the same injunction: “***get long term care insurance and powers of attorney!***”

This continued the rest of the afternoon. Even later at our favorite watering hole he was telling waitresses and anyone who would listen to: “***Get Long Term Care Insurance and Powers of Attorney!***”

I felt sorry for Jim. Sally wasn’t coming back. He was losing everything. Maybe I failed them. It is possible his ‘Advisor’ failed them. Since I wasn’t privy to their conversations, I can’t judge. I do believe that Jim and Sally didn’t plan on losing everything to the State to pay for her care. What will happen next, only God knows.

The lesson learned here is simple. We don’t know the future. There are issues out there that can really destroy our plans. There are tools out there available to us designed to blunt the impact of a catastrophic event. In this case, it would be some kind of LTC insurance or Hybrid LTC/LIFE or LTC/ANNUITY. The powers of attorney are critical, as well.

The ‘For Sale’ sign is on Jim and Sally’s boat.

