



Armor Trust Attorneys

This is our first E-Newsletter, and our motivation for sending it is the financial uncertainty that we see having important consequences for your estate planning and wealth preservation. Banks and other financial institutions, including insurance companies, have failed or been rescued from failure in recent weeks. This first e-newsletter will touch on one of these consequences, the need to review your insurance policies. Subsequent issues will focus on related topics such as trustee selection, trustee replacement, asset titling and simplification, and pending changes to estate tax laws.

Time to Review Life Insurance Policies?

The current turmoil among financial institutions provides a good reason for reviewing your life insurance coverage. Things to look at include the following.

First, how secure are the companies that carry your life insurance? In recent weeks we have witnessed the rescue of two of the largest insurance companies in the world, AIG and Fortis, by central banks in the US and Europe. How have your policies been affected by events such as these?

Second, some insurance policies are subject to fluctuations in the stock markets. These policies should be reviewed regularly, and this is especially true in current economic context. How have recent market declines affected the funding of the policies and the need for future premium payments?

Third, even if your policies are not “variable” policies that fluctuate in value with the financial markets, they might still be affected by declining interest rates or declining dividends from the issuing companies. This could result in the policies not performing as originally expected.

Fourth, how have your own needs for life insurance coverage changed? Are your policies still meeting your needs and goals?

Fifth, you might be the trustee or successor trustee of a trust that owns life insurance. If so, your fiduciary duties as trustee include responsibility for monitoring and managing the policies, along with all other assets of the trust.

Conclusion: As attorneys, we do not sell life insurance, but we can help you decide how to go about obtaining a review of your coverage. We have made arrangements for you to receive a complimentary review of your coverage. Please call us to make an appointment for this.

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