Life Planning Workshop

A presentation sponsored by ARAG, your Group Legal Services Provider
Introduction

John H. Morkos, Esq.

- Cum Laude graduate at University of La Verne Law School
- 6 years with General Practice firm with emphasis in Probate
- Started my firm 5 years ago with emphasis in Probate/Estate Planning
- Successfully litigated Will contests, Guardianships, and Conservatorships
Agenda

• Introduction
• Facts
• Key Estate Planning Documents
• Estate Planning Costs
• Impacts of Not Having an Estate Plan
• Benefits of an Estate Plan
• Additional Resources
• Schedule an Estate Planning Appointment
• Contacting ARAG
Facts...

“In this world, nothing is certain but death and taxes.” Benjamin Franklin

It is the certainty of death and taxes that guarantees that estate planning will always be with us.

Everyone, rich or poor, married, with a domestic partner, or unmarried, old or young, with children or without, should address estate planning.
Key Estate Planning Documents

- **Revocable Living Trust** – a written agreement which creates an entity (the trust) to handle the assets put into the trust.

- **Pour Over Will / Assignment of Personal Property** – a document in which you set out specific directions on who receives your property after your death.

- **Power of Attorney** – a document in which you appoint an agent (and alternate agent, if desired) to act for you according to the powers and matters you list in the document.

- **Health Care Directive** – a document in which you appoint an agent (and alternate agent, if desired) to make health care decisions for you when you are incapable of making them.

- **Grant Deeds and Assignments** (supplemental documents) – a document which transfers title to real property or a real property interest from one party (grantor) to another (grantee).
Estate Planning Costs

When you work with an Network Attorney from ARAG, attorney fees for most covered matters are 100% paid in full:

<table>
<thead>
<tr>
<th>Estate Planning Matter</th>
<th>Average Number of Hours&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Potential Cost&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Cost with ARAG Legal Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating a Standard Will</td>
<td>4</td>
<td>$1,280</td>
<td>$0</td>
</tr>
<tr>
<td>Revocable “Living” Trust</td>
<td>6</td>
<td>$1,920</td>
<td>$0</td>
</tr>
<tr>
<td>Power of Attorney</td>
<td>1.5</td>
<td>$480</td>
<td>$0</td>
</tr>
<tr>
<td>Health Care Directive</td>
<td>1.5</td>
<td>$480</td>
<td>$0</td>
</tr>
</tbody>
</table>

<sup>1</sup> Number of hours is based on 2012 ARAG Claims Data.  
<sup>2</sup> Attorney costs calculated by multiplying the 2012 ARAG Claims Data by the average attorney rate in the United States of $320 per hour for attorneys with 11-15 years of experience. Average attorney rate in the United States of $320 per hour for attorneys with 11 to 15 years of experience, The 41st Annual Survey of Law Firm Economics: 2013, Published by The National Law Journal and ALM Legal Intelligence, July 25, 2013.
Impacts of Not Having an Estate Plan

What Happens if You Die Without a Will?

California law will determine the beneficiaries of your estate. Net assets are then distributed outright.

If you are married, your spouse will receive all real property held in either “joint tenancy with right of survivorship” or “community property with right of survivorship.”

Your spouse also receives all of your community property and part of your separate property.

Your remaining separate property will be distributed to your children or grandchildren, parents, sisters, brothers, nieces, nephews, or other close relatives; in accordance with the law of intestate succession.
Impacts of Not Having an Estate Plan

Probating an Estate Without an Estate Plan:

Based on the value of your own probate estate (i.e., real property, vehicles, furniture, jewelry, etc.), what Statutory Attorney Fees & Executor Commissions would be charged to your estate?

- $100,000 = $4,000
- $150,000 = $11,000
- $200,000 = $14,000
- $300,000 = $18,000
- $400,000 = $22,000
- $500,000 = $26,000
- $600,000 = $30,000
- $700,000 = $34,000
- $800,000 = $38,000
- $900,000 = $42,000
- $1,000,000 = $46,000
Benefits of an Estate Plan

Probate Avoidance/Privacy

• Living Trusts avoid Courts and lawyers
• Your Trustee does not have to file a petition in the Probate Court
• You specify how your assets are to be distributed
• Your Trustee carries out your affairs
• Notice only given to actual beneficiaries
Benefits of an Estate Plan

Controlled Distribution

Unlike a will, a Living Trust allows the Trustor to specify exactly when and how assets are to be distributed:

• Based on age

• Based on the occurrence of an event

Save Time

• The average Probate takes between 12-24 months in Court

• The average Living Trust is carried out within 3-5 months
Benefits of an Estate Plan

Conservatorship/Incapacity Protection

If an individual loses capacity without a proper Estate Plan typically a family member will have to:

• Hire an attorney to petition the Probate Court for a Conservatorship
• Pay a significant retainer ($5,000 - $10,000+)
• Appear in Court every few months to provide an accounting
• Appear in Court every few months to provide health updates

A properly drafted Estate Plan will include a **Power of Attorney** and **Health Care Directive** and allow you to designate an agent to manage your finances and health decisions without Court intervention and attorneys.
Benefits of an Estate Plan

The purpose of a **Power of Attorney** (Springing Power of Attorney) allows you to designate an Agent to manage:

- Real and Personal Property
- Motor Vehicles
- Stocks/Bonds/Financial Accounts
- Safe Deposit Boxes
- Insurance and Annuities
- Retirement Plans and Benefits
- Litigation/Tax Matters
- Government Benefits
Benefits of an Estate Plan

A Health Care Directive allows you to provide instructions to a designated Agent for:

• Specific health care preferences
• Types of treatment you want or do not want
• End of life decisions
• Quality of life decisions

Guardianship for minors allows you to choose who:

• Has physical custody of any minor children
• Manages the assets of your minor children
Additional Resources

Below are links to helpful guidebooks available online at the ARAG Education Center – [ARAG Legal Center](www.ARAGLegalCenter.com, Access Code: 11700uc).

- [Estate Planning](#)
- [Revocable Living Trust](#)
- [Overview of Settling an Estate](#)
- [Ownership Arrangements and Beneficiary Designations](#)
- [Pet Trusts](#)
Schedule an Estate Planning Appointment

- Morkos Law Group
  www.MorkosLaw.com - (949) 478-4401
  Two Convenient Locations:
  9431 Haven Ave., Rancho Cucamonga, or 2082 Michelson Dr., Irvine, CA

- ARAGLegalCenter.com and enter Access Code 11700uc to view
  information on the legal plan, FAQs, listing of Network
  Attorneys in your area and more

- Contact a qualified attorney of your choice
Contacting ARAG

Telephone
Talk to an ARAG Customer Care Specialist toll-free at 800-828-1395, Monday through Friday, 5:00 a.m. to 5:00 p.m. PST.

E-mail
An ARAG Customer Care Specialist at Service@ARAGgroup.com.

Online
Visit www.ARAGLegalCenter.com and enter Access Code 11700uc to view information on the legal plan and FAQs

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