



# The Wealth Compass

## Navigating Your Financial Journey

November 2024



### Protecting Your Legacy: The Importance of Estate Planning

What do Prince, Bob Marley, Amy Winehouse, Jimi Hendrix, and Pablo Picasso have in common? Despite their immense talent and global fame, they all shared a tragic fate: they died without a will. This unfortunate circumstance led to complex legal battles, financial disputes, and potential hardships for their loved ones. In this newsletter, we'll explore the critical importance of estate planning and how it can help you avoid the pitfalls that these iconic figures faced.


#### The Consequences of Dying Intestate

When a person dies without a will, they are considered to have died "intestate." In such cases, the distribution of their assets is governed by state laws, which may not align with their intended wishes. This can lead to several negative consequences, including:

- **Unintended Beneficiaries:** Assets may be inherited by individuals or organizations that the deceased did not intend to benefit. For example, in the case of Prince, his estate was initially divided among his six siblings, despite his close relationship with his ex-wife and their child.
- **Time-Consuming Probate Process:** The probate process can be lengthy and costly, especially in cases where there are disputes among beneficiaries. After Amy Winehouse's death, her estate was embroiled in a legal battle between her family and her ex-husband over the rights to her music.
- **Lack of Control:** Without a will, the deceased has no control over how their assets are managed or distributed. In the case of Pablo Picasso, his estate was divided among his children and his former partners, leading to a lengthy and contentious legal battle.

#### The Benefits of Estate Planning

Estate planning is a proactive approach that can help you avoid these issues and ensure that your assets are distributed according



IF YOU DON'T  
HAVE AN  
ESTATE PLAN,  
THE STATE HAS  
ONE FOR YOU!

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ESTATE PLANNING MOTHER  
ESTATE PLANNING DAD

Source: [estateplanningmom.com](http://estateplanningmom.com)

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to your wishes. Here are some of the key benefits of estate planning:

- **Peace of Mind:** Knowing that your affairs are in order can provide you with peace of mind.
- **Control Over Your Legacy:** A well-crafted estate plan allows you to control how your assets are distributed and managed.
- **Protection for Your Loved Ones:** Estate planning can help protect your loved ones from financial hardship.
- **Tax Efficiency:** With proper planning, you may be able to reduce your estate taxes.
- **Business Succession Planning:** If you own a business, estate planning can help ensure a smooth transition of ownership.

### Key Components of an Estate Plan

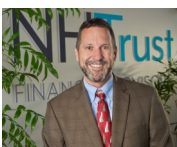
- **Will:** A will outlines your wishes for the distribution of your assets after your death and is subject to probate.
- **Trusts:** Trusts can be used to manage your assets and protect them from creditors and is not subject to probate.
- **Powers of Attorney:** Powers of attorney authorize someone to act on your behalf if you become incapacitated.
- **Living Will:** A living will expresses your wishes regarding medical treatment in the event that you are unable to make decisions for yourself.

### Conclusion

As the examples of Prince, Bob Marley, Amy Winehouse, Jimi Hendrix, and Pablo Picasso demonstrate, the consequences of dying intestate can be severe. By taking the proactive step of creating an estate plan, you can protect your legacy, provide for your loved ones, and ensure that your wishes are carried out.

If you would like to discuss your estate planning needs, please don't hesitate to contact our office. We are happy to provide referrals to trusted estate planning attorneys and together, we can help you create a customized plan that meets your specific goals and objectives.

Disclaimer: I am not a licensed attorney and do not provide legal advice or services. The information I provide is for general informational purposes only and should not be relied upon as legal advice. Communication with me does not create an attorney-client relationship. If you need legal advice, please consult with a licensed attorney.



Michael St. Onge, CIMA®, CPWA®  
SVP, Private Client Relationship Manager  
mstonge@nhtrust.com  
603.223.2758

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