



MAKE

Top 10 Venture Capitalists;
Manhattan's Hot New
Whisky Bar; Six Startups
to Watch

GROW

Investing in Healthcare;
How to Buy a Winery;
Expert Lessons from the
Financial Crisis

LIVE

How to Survive a
Hurricane; Best Cigar
Lounges; 10 Great Autumn
Weekend Escapes

CURATOR

Perfect Fall Fashion;
The World's Largest
Catamaran; The Beauty of
Rose Gold Watches

Worth[®]

THE EVOLUTION OF FINANCIAL INTELLIGENCE

The New Visionaries

THE ENTREPRENEURSHIP ISSUE



WORTH.COM

25

VOLUME 22 | EDITION 04



Richard P. Slaughter Associates Inc.

Brooks Slaughter, MBA, CFP®, President and CEO

“Is life insurance an asset, like stocks or bonds, **that I can't afford to ignore?**”

By Brooks Slaughter

Life insurance is an asset just like stocks, bonds and real estate. As such, it must be monitored regularly to ensure it is appropriately positioned in your financial plan.

Too often, however, policy holders neglect life insurance. Many mistakenly believe that life insurance is guaranteed or that issuing companies monitor the policies for potential problems. Others take a “head in the sand” attitude, ignoring what they perceive as overly complicated issues.

Any of these approaches can be costly, especially for the insured high net worth individual and his or her beneficiaries.

Life and life insurance change. Life insurance, like life, is complicated. And changing personal and financial circumstances affect your coverage.

Have your assets increased since you purchased the policy? If so, you may now have sufficient means to protect your family in the event of your death. Or you may have built significant wealth in an illiquid asset, such as a closely held business, that requires more life insurance for estate liquidity.

On a personal level, you have worked to improve your health—you quit smoking and now exercise regularly—since you purchased the policy. When you bought the coverage years ago, you

likely paid a higher price, and locked-in premiums, for your bad habits.

These and other changes in your life necessitate a reevaluation of your coverage.

Take charge of policy oversight. Policy owners, including trustees, are responsible for monitoring policies, not life insurance agents. Be on the lookout for orphaned policies. This happens when agents leave the insurance industry or change companies. Orphaned policies frequently are redistributed to inexperienced agents, who may not be motivated to service the policy.

Policy holders, or trustees, also should regularly check for policy errors and make necessary corrections. Changes in your personal circumstances demand a regular policy review. Are your beneficiaries up to date? Life insurance death benefits with named beneficiaries will bypass the probate process, meaning that ex-spouses or estranged children may submit claims directly to the life insurance company.


If your estate planning attorney has advised you to transfer policy ownership to an irrevocable life insurance trust (ILIT), make sure you correctly named the owner and beneficiary in the paperwork. An error could cause inclusion

of the proceeds in your estate, an outcome ILITs are designed to avoid.

Be an involved policy owner. Life is hectic. Your family and work demand most of your attention. Who has time to review life insurance policies, especially if you are unsure of what to look for or whom to trust for advice? So you simply ignore the issue. Again, such a head in the sand attitude may be costly.

You may be paying too much for a life insurance policy you do not need. Alternatively, you may be tempted to drop a policy that does not seem to be providing value to your financial plan. Policies that contain a variable component that is dependent on equity and fixed income market performance should be incorporated into your overall asset allocation.

And trust-owned policies introduce another dimension of careful attention. A “set it and forget it” attitude toward ILITs may easily lead to estate inclusion or beneficiary litigation.

An independent wealth advisor can help you sort out these and other coverage issues. Your advisor, in conjunction with an independent insurance broker, will work with you to ensure that your current policies fit your financial plan and meet your heirs' needs, and that you are getting the appropriately-priced coverage. 

“Insurance policy holders often take a ‘head in the sand’ attitude, ignoring what they perceive as overly complicated issues.”

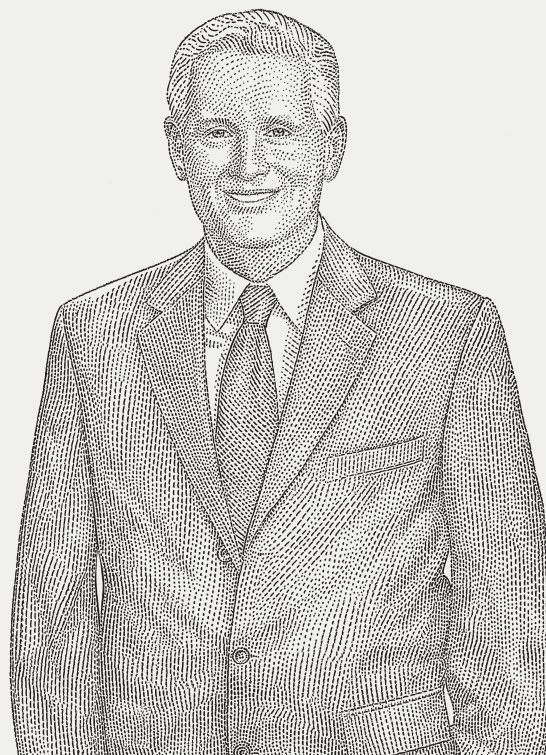
— Brooks Slaughter

How to reach **Richard P. Slaughter Associates**

You can reach any member of our team at 512.918.0000.
We look forward to speaking with you.

MY FAVORITE SPORTING EVENT OF ALL TIME...

The 2006 Rose Bowl game between the Texas Longhorns and USC Trojans. The atmosphere and incredible finish combined for a once-in-a-lifetime experience.



MY MOST INFLUENTIAL PROFESSOR...

My undergraduate professor in electrical engineering, who encouraged a lifetime of learning. His favorite quote was, “If you aren’t growing, you’re dying.”

About Richard P. Slaughter Associates

Richard P. Slaughter Associates is a leading wealth management and financial planning firm, which specializes in working with high net worth individuals, families and businesses. Slaughter Associates cultivates a comprehensive financial relationship with its clients by delivering expertise in financial planning and asset management and by coordinating with tax, insurance and estate professionals. The result is a holistic approach, unique in a financial industry that is often segmented and outsourced. By committing to each of these important components, Slaughter Associates charts a path to reach the individual financial goals of its clients. Founded in 1991 in Austin, Texas, by Richard P. Slaughter, Slaughter Associates is one of the original fee-based firms in the nation. With offices in both Austin and the Dallas-Fort Worth Metroplex, Slaughter Associates has been recognized by the National Association of Board Certified Advisory Practices as a Premier Advisor and has been given Exemplary status for expertise in personal risk management.

Assets Under Management
\$320 million

Largest Client Net Worth
\$20 million

Minimum Fee for Initial Meeting
None required

Minimum Asset Requirement
\$500,000 (investment services)

Website
www.slaughterinvest.com

Compensation Method
Asset-based and hourly fees

Professional Services Provided
Planning, investment advisory and money management services

Primary Custodians for Investor Assets
Charles Schwab & Co., Pershing and TD Ameritrade

Association Memberships
Financial Planning Association, The National Association of Personal Financial Advisors

Email brooks@slughterinvest.com



Brooks Slaughter, MBA, CFP®
President and CEO

Richard P. Slaughter Associates, Inc.
13809 Research Blvd., Suite 905
Austin, TX 78750
Tel. 512.918.0000

brooks@slaughterinvest.com
www.slaughterinvest.com



REPRINTED FROM
Worth®
THE EVOLUTION OF FINANCIAL INTELLIGENCE

Richard P. Slaughter Associates is featured in *Worth®* 2013 Leading Wealth Advisors™, a special section in every edition of *Worth®* magazine. All persons and firms appearing in this section have completed questionnaires, have been vetted by an advisory group following submission by *Worth®*, and thereafter paid the standard fees to *Worth®* to be featured in this section. The information contained herein is for informational purposes, and although the list of advisors presented in this section is drawn from sources believed to be reliable and independently reviewed, the accuracy or completeness of this information is not guaranteed. No person or firm listed in this section should be construed as an endorsement by *Worth®*, and *Worth®* will not be responsible for the performance, acts or omissions of any such advisor. It should not be assumed that the past performance of any advisors featured in this special section will equal or be an indicator of future performance. *Worth®*, a Sandow Media publication, is a financial publisher and does not recommend or endorse investment, legal or tax advisors, investment strategies or particular investments. Those seeking specific investment advice should consider a qualified and licensed investment professional. *Worth®* is a registered trademark of Sandow Media LLC. See "About Us" for additional program details at <http://www.worth.com/index.php/about-worth>.