

IMPORTANT INFORMATION FOR YOU AND YOUR FAMILY

If you have asked someone to act as your estate executor, are acting as an executor currently, or expect to act as an executor, you need to understand the personal liability that goes with the executor role and know that it is **not** covered by your home or automobile insurance.

Executor Liability

- Executors are legally and financially liable for their activities and the decisions they make as representatives of the estate.
- There are least 18 common areas of risk that can result in loss to creditors, beneficiaries, charities, and others who have contracted for services with the deceased party or their estate.
- Executors can be called upon to defend their conduct and reimburse the estate for errors that cause financial loss, even if they act for little or no compensation.

Good Information Is Available Now To Help You Understand And Plan For The Role

- Contact our office to obtain information that is important and helpful for you and your family, whether you are planning your will, acting or named as an executor, or expecting to inherit a gift in an estate.
- Review the Estate Risk profile on the next page and consider whether your own estate or the estate of someone you plan to act for should obtain more information.

Beneficiaries Are Counting On You

- An ERAssure® executor liability insurance policy can help protect you, the estate assets and ultimately the beneficiaries.

The estate executor is an important and honorable role. It's also one that requires the protection and peace of mind afforded by executor and estate liability insurance.

Contact our office at (902) 405-8665 to find out more about estate risk and how to protect yourself.

Estate Risk Profile

Overview: The "Estate Risk Profile" simply provides a quick overview of the common variables that most often are responsible for triggering an estate claim. Circle the number corresponding to your answer to each question, and total your score at the bottom of the page.

Family Dynamics	YES	MAYBE	NO
Are there any unique family dynamics such as a second marriage, blended family, a history of acrimony between family members OR spouses; any financial issues with any of the beneficiaries or their children, or health or drug related concerns?	2	1	0
Has there been any unique handling of family members such as unequal cash or property distributions or access to heirlooms; any potential 'black sheep' in the family OR extended family; have any beneficiaries held a disproportionate care-giving role that might be looking to be recognized for their efforts?	2	1	0

Executor Specific	YES	MAYBE	NO
Are there multiple Executors involved; do they share the same relationship to you; are they all in agreement in how best to involve the use of professionals for legal, tax, accounting, investments and real estate; are any of the Executors or service providers to the estate seen as potentially having personal conflict; is the Executor(s) also your Power of Attorney?	2	1	0

Investments	YES	MAYBE	NO
Are there any significant financial assets of the estate that might be complex in nature; are there debts of the estate, or did you secure any unpaid loans on behalf of anyone including family members, beneficiaries or others and are they clearly documented; are there any charitable groups listed as beneficiaries?	2	1	0

Directives of the Will	YES	MAYBE	NO
Is there a legal Will, or is it handwritten or done by do-it yourself methods; are the instructions within the Will clear, logical and likely to avoid contest by any of the beneficiary group; do all the beneficiary group know the contents of the Will; has anyone been left out, or is there disproportionate allotment of the estate assets?	2	1	0

Real Estate	YES	MAYBE	NO
Is there a cottage or family assets/antiques or heirlooms that might have significant emotional value to one or all family members; has any one of the beneficiary group or extended family been living in your principal residence or have primary use of the cottage; any foreign or rental properties?	2	1	0

Non-Real Estate Assets	YES	MAYBE	NO
Is there a family business or other business assets that require management or sale; is there a clear succession plan in place; is it in harmony with the Will directions and expectations of the beneficiaries?	2	1	0

TOTAL ESTATE RISK PROFILE SCORE:

Score: **0** = low risk; **1-3** = moderate risk; **4** or over = significant risk of exposure to liability.

Enter at top of page 2

TOTAL ESTATE RISK PROFILE SCORE (from page 2):

An action brought against the estate is always difficult, if not impossible, to predict and **Executor and Estate Liability Insurance** is always advisable.

If the Estate Risk Profile Score is "**moderate**" or "**significant**", an application for Executor and Estate Liability Insurance should be completed and submitted to get the protection you, the estate, and the beneficiaries need.

Are you prepared for the risks?

The executor's role is complex, challenging, and often time consuming. For most executors, this is a once or twice in a lifetime role, with a steep learning curve and little room for error, while making a myriad of decisions.

Executors can be held personally liable for the decisions they make in the course of estate administration. Although you will be acting in good faith, errors – or disagreements and the perception of errors – can result in the executor and the estate being sued by beneficiaries.

Why do executors get sued?

Challenges for executors typically occur when the executor **has made an error** or *a beneficiary thinks the executor has made an error* in any or all of the following areas in the administration of an estate:

- 1. Favouritism:** Preferential or prejudicial treatment of certain beneficiaries resulting in a loss of entitlement by another beneficiary.
- 2. Loss of money or value:** Timing issues related to the sale of real property or various types of financial instruments that result in diminished value of the asset.
- 3. Conflict of interest:** Allegation of conflict of interest on the part of the executor whether the executor is also a beneficiary or not.
- 4. Error in value:** Failure to value or improper valuation of assets

Timing is important - in Nova Scotia please contact us at Harbourtown as soon as possible after the executor role begins and complete an application.

Note: Fees, Taxes and Shrinkage can be minimized.

*More importantly, with **proper planning**, you can ensure **what you want to happen, does happen.***

"2 weeks of solid work on your estate can be **worth more** to your **family** than the financial gains of the **past 10 years.**"

J. Paul Wilson, CFP, CHFC



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