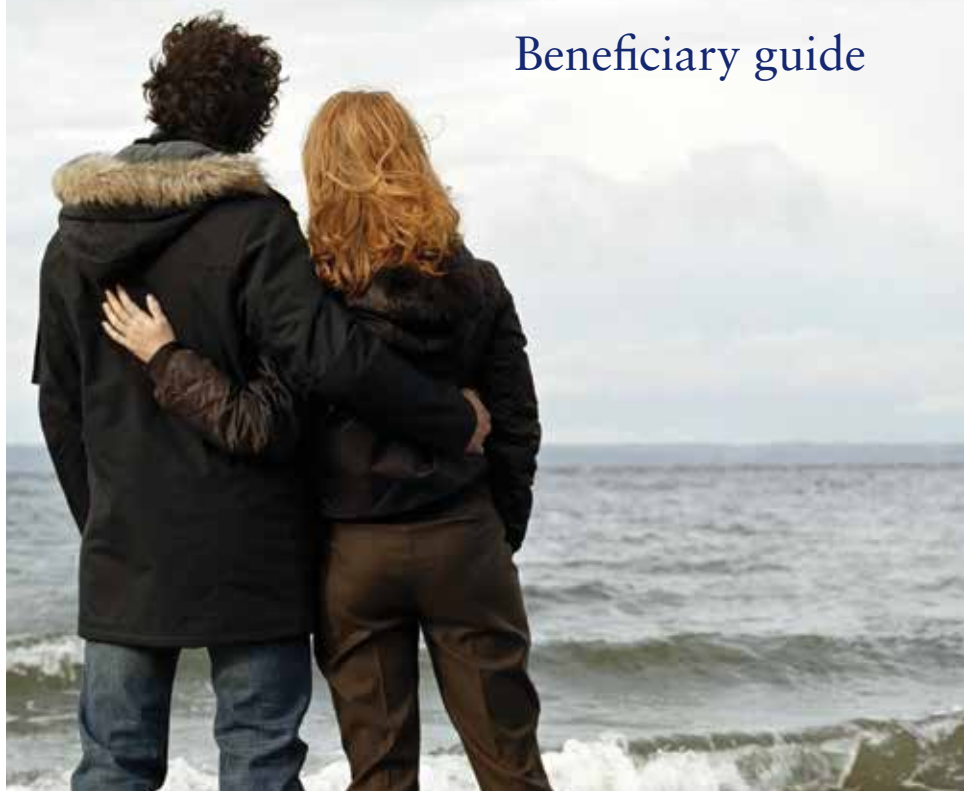


# *Taking the next steps*

Beneficiary guide



  
**BANKERSLIFE®**

# Table of contents

Introduction.....	3	Funeral planning checklist.....	15
<b>Making plans and contacts.....</b>	<b>4</b>	Probate .....	16
Funeral director .....	5	BenefitNOW Accounts® .....	20
Employers .....	6	Document checklist.....	22
Social Security Administration.....	6	Six points to consider when designating beneficiaries.....	23
U.S. Veterans Affairs benefits .....	8		
Insurance company .....	10		
<b>Other possible contacts.....</b>	<b>12</b>		



## Introduction

For most people, losing a loved one is a distressing event with lasting effects. For others, the situation is more manageable to cope with. In every case, facing death alters survivors' daily structure, activities and social life.

The grieving process can put your emotions in continual fluctuation, from one extreme to another. As you're grieving, you may experience disbelief, shock and anger all in the same day. You may feel overwhelmed and not even know how to think or react.

Then, once the separation becomes clear, you may feel depressed and lonely. Some days may bring feelings of anxiety, restlessness and anger.

You'll need support. One way to help resolve grief is to reach out to those around you for assistance and compassion. You may move more easily through grieving by sharing your feelings with others.

Most often, people turn first to family and friends in their times of need. Yet when family and friends also are grieving, they might not be able to give help.

In this time of great stress, you need to be able to care for yourself. This means keeping your mind and body healthy. Be sure to consult your doctor about physical ailments, loss of energy, appetite changes and other concerns.

We hope the information provided in this guide will help you in your time of need.

*Making plans  
and contacts*



The funeral is a significant part of the grieving process. Recognizing the deceased is important because it:

- » Reinforces the reality of the loved one’s life and death.
- » Allows family and friends to acknowledge and express their loss.
- » Provides opportunities for family to interact with the community in their new roles.
- » Offers an environment for others to reevaluate their views on life and death.
- » Enables group support by creating a common experience.

## Funeral director

Your funeral director will help with many of the arrangements. This individual will help make plans to transport the body, obtain the death certificate and plan the memorial service. Your funeral director also can help you notify the deceased’s employer, bank, insurance companies and government agencies. He or she is a helpful reference in applying for benefits, preparing a public obituary and coping with your loss.

NOTIFY	SELECT	PROVIDE
Primary care doctor Coroner Funeral director Cemetery/memorial park Clergy Relatives and friends Pallbearers Insurance agents Newspapers Unions Fraternal organizations Organist/musician Employer	Cemetery property Funeral service Casket Vault or other container Clothing Flowers Music Transportation Announcements Thank you cards Funeral time and place Visitation time and place	Vital statistics Addresses of people to notify Arrangements for out-of-town visitors Answers to cards and letters Greetings for callers, friends and relatives Forms to prepare and sign Death certificates

If your loved one planned the funeral arrangement, he or she may have selected a preferred funeral director. If not, you may want to ask friends and family for recommendations. Consider meeting with several to find one who is capable of fulfilling the deceased's last wishes.

## Employers

If your loved one was working at the time of death, you'll need to contact the employer with notification of the death. Ask about any pay—including vacation and sick days—that would be due to the deceased, as well as available life insurance and retirement or pension funds. If the deceased had employer-sponsored health insurance, the surviving spouse may be able to continue this coverage.

At this time, you also should contact your own employer to ask about the bereavement policy. You'll likely need time to mourn and attend to the deceased's affairs. Knowing your company's bereavement policy up front can help you avoid more stress later.

## Social Security Administration

Your funeral director may be able to contact the Social Security Administration to report the death for you. To handle this step yourself, call (800) 772-1213 between 7 a.m. and 7 p.m. on normal business days. You'll need to provide the deceased's Social Security number when reporting the death.

Depending on the deceased's work history, the surviving spouse or dependents may be eligible for one-time or monthly benefit payments. For information on these benefits, contact the Social Security Administration at (800) 772-1213 or go to [www.ssa.gov](http://www.ssa.gov).

Try to apply for survivor benefits as soon as possible to avoid missing out on potential benefits. Some benefits are paid monthly based on the date you apply; waiting may mean losing benefits each month you wait.

## SAMPLE LETTER FOR SOCIAL SECURITY ADMINISTRATION

Dear [Name],

This letter informs you that [Name of the deceased], [Social Security number], passed away on [date]. I would like to schedule an appointment with a Social Security representative on [preferred date and alternative date request] to discuss potential survivor benefits.

I have copies of the death [, marriage] and birth certificates. I also have evidence showing [name of deceased]'s recent earnings. If you need additional verification and/or other forms, please let me know when you confirm our appointment. You may reach me at (xxx) xxx-xxxx.

Thank you.

Sincerely,

[Your Name]

You can start the application process over the phone or in person at any Social Security office. To process your application, the Social Security office may need originals or certified copies of:

- » Proof of death—either from a funeral home or death certificate.
- » Your Social Security number and the deceased’s number.
- » Your birth certificate.
- » Your marriage certificate if you are a widow or widower.
- » Your divorce papers if you are applying as a divorced widow or widower.
- » Dependent children’s Social Security numbers and birth certificates.
- » Deceased worker’s W-2 forms or federal self-employment tax return for the most recent year.
- » The name of your bank and your account number so benefits can be direct-deposited.

To avoid delay, you may want to begin the application process even if you don’t have all of these items. The Social Security office may be able to get what you need to complete your application.

## **U.S. Veterans Affairs benefits**

The U.S. Department of Veterans Affairs (VA) offers a range of benefits to spouses, parents and children of active-duty and retired veterans. The VA—reachable at [www.va.gov](http://www.va.gov) and (800) 827-1000—is a rich source of information about survivor and burial benefits. You can go online to download applications and apply for benefits.

Typically you’ll need to submit copies of death certificates, marriage certificates and other records along with your application for benefits to your regional VA office. Visit the website or call the VA office for instructions and requirements when applying for specific benefits.

If the deceased was a veteran, contact the VA as soon as possible. Some benefits—including burial benefits—are based on the application date.



## SAMPLE LETTER FOR VETERANS AFFAIRS

Dear [Name],

This letter informs you that [Name of the deceased] passed away on [date]. I would like to schedule an appointment with a Department of Veterans Affairs representative on [preferred date and alternative date request]. [Deceased's name] government life insurance policy number is [policy number] and military service serial number is [number]. [Deceased name] served in the U.S. [branch] from [date] to [date].

If you need additional verification and/or other forms, please let me know when you confirm our appointment. You may reach me at (xxx) xxx-xxxx. Thank you.

Sincerely,

[Your Name]

## Insurance company

We're here to assist you during this difficult time. If the deceased had an active life insurance or annuity policy, a Bankers Life insurance agent can explain your payout options and help you complete claim paperwork.

This may be the appropriate time to reevaluate your own insurance needs. A knowledgeable Bankers Life agent can review your coverage, help you with beneficiary or coverage changes and recommend products to meet your changing needs.

The deceased may have had insurance coverage with other companies as well. When reviewing the deceased's documents, look for statements and premium payment records that may relate to insurance coverage. Even if the deceased hadn't recently paid policy premiums, the coverage may be active and have an available death benefit. Most statements or payment receipts will have a toll-free number you can call to ask about possible policies.

You also should be looking for information on health insurance coverage. It may be possible for a spouse to continue the deceased's coverage or convert it to individual coverage. Otherwise, the coverage should be canceled to avoid additional premium charges.

## SAMPLE LETTER FOR LIFE INSURANCE COMPANY

Dear [Name],

This letter informs you that [Name of the deceased] passed away on [date]. Please send me all relevant documents to process a claim under policy number(s) [policy number(s)] and indicate the primary beneficiary's name. I also would appreciate information about all available payment options for the claim.

Please confirm these are the only pertinent policies—including policies on other family members that may be paid up—[deceased's name] may have had in force. My contact information is listed below. Thank you.

Sincerely,

[Your Name]

[Your address]

*Other possible  
contacts*



## **Unions, professional organizations, social groups**

If the deceased was a member of a trade union, professional guild, fraternal organization or other social, cultural or political group, you should provide notification of the death. Some may offer death or burial benefits to a member's survivors, and many groups appreciate the opportunity to announce the death in their internal publications.

## **Banks, financial advisors and investment companies**

When reviewing the deceased's documents, look for statements from any checking or saving accounts, stocks, bonds, mutual funds or other financial holdings. These institutions should be notified of the death so they can stop account activities. The account value will need to be evaluated during the probate process and accounts may be frozen in the meantime.

If the deceased had a financial advisor who managed his or her investments, this individual can be of great assistance. The financial advisor would have information on the deceased's active accounts and may be able to help with death notifications.

## **Creditors**

Creditors likewise should be promptly notified of the death to prevent additional transactions. Credit cards that are held jointly should be changed to the survivor's name or closed. Ask if any outstanding loans were insured; some may be canceled or paid in full upon the borrower's death.

## **Landlord and utilities**

If the deceased rented a property, notify the landlord. If a spouse wants to continue living in the residence, he or she may need to transfer the lease or sign a new individual lease. Electric, gas, water, cable, phone and other utilities likewise may need to be transferred to a new name or canceled.

## SAMPLE LETTER FOR OTHER POSSIBLE CONTACTS

Dear [Name],

This letter informs you that [Name of the deceased] passed away on [date]. I understand that [deceased's name] may have been covered by an insurance plan through your organization. Please let me know if benefits are available, to whom they are payable and the type of documentation necessary to collect the available benefits. My contact information is listed below.

Thank you.

Sincerely,

[Your Name]

[Your address]

# Funeral planning checklist

## PLANNING AHEAD: Items to arrange in advance

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### General preparations

- Compose personal information for the obituary.
- Select a charity for direct donations.
- Decide on jewelry that should remain or be given to loved ones.
- Choose a funeral home.

### Funeral home services

- Choose a burial or cremation.
- Select a casket or urn.
- Select a vault—or, if traditional, a burial.
- Select a location for the service.
- Select a location for the viewing.
- Order floral arrangements.
- Select photographs to be used during services.
- Choose religious or fraternal items to be displayed.
- Select clothing and accessories for the deceased to wear for the viewing.
- Choose music, hymns and performers for services.
- Select literature or scriptures to be read.
- Decide on thank-you cards.
- Determine transportation, such as a funeral coach, family limousine and pall bearer limousine.

### Participants

- Officiator or clergy
- Musicians
- Pallbearers
- Family or friend to perform eulogy
- Family and/or friends to read literature or scriptures

## FINAL ARRANGEMENTS: Items that cannot be arranged beforehand

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- Arrange ambulance transfer from the place of death.
- Apply for death certificates.
- Set a time and date for services.
- Request the preparation and embalming.
- Submit the obituary to local newspapers.
- Arrange a location and food for the reception.

*Probate*





Probate is the legal process of taking an inventory of the deceased's estate, fulfilling obligations to creditors or claimants, and distributing remaining assets to the deceased's beneficiaries. This process is handled through probate court, a division of the state court system. Probate can vary considerably in length and complexity. For small estates with few claimants and general agreement among beneficiaries, the process can be relatively short and straightforward. It's worth checking to see if a "small estate" procedure or affidavit is a possibility. But in situations with large, complex estates, many claimants, disagreement among beneficiaries or contested wills, probate can become complicated and drawn out.

Because probate is handled on a state rather than federal level, the process will vary by state. See below for an outline of the probate process and an overview of issues that may come up. If you're acting as an estate administrator or executor, you may want to seek advice from a qualified probate lawyer. This individual should be knowledgeable of your state's probate requirements and be able to help you work through the court, posting public notice, addressing claimants and handling other probate situations.

## **Appointing the estate administrator**

The first step in the process is filing a Petition for Probate with the local probate court. If the deceased left a will, this should be brought before the probate court. The court will review the will to establish its authenticity. The deceased's will should name an estate executor, and the court will formally appoint this individual as the administrator. In a situation with no will, the court appoints another individual as administrator. When a dispute arises over who should serve as administrator, the court may name a neutral public administrator whose services are paid out of the estate funds.

The administrator will receive Letters of Administration or Letters of Testamentary by the probate court. These documents authorize the administrator to act on the estate's behalf, request documentation, sell and allocate assets, and handle other functions to close the estate.

## Basic probate steps

The administrator needs to complete five steps on behalf of the deceased's estate. See below for an overview of these steps. Keep in mind that these steps can vary considerably according to state probate procedures and estate complexity.

### 1 FILING PUBLIC NOTICE

A public announcement of the deceased's passing typically must be made. This announcement gives potential claimants and beneficiaries notice of the estate's probate and allows them to file claims against the estate. In some states, this step may require the estate to publish a death notice in the local newspaper.

**Important: Probate is a public process, and records of the probate proceedings are available for public review. Although the publicity may seem invasive, this step allows interested parties to make claims in a timely matter. Many states mandate time limits for claimants to avoid additional claims coming in long after the estate is closed and property is distributed.**

### 2 INVENTORYING AND APPRAISING ASSETS

After the probate court appoints an administrator, that individual must inventory property in the estate. Some assets are not included in the probate estate and will not be distributed through this process; these assets are called "nonprobate property." Examples include assets that are owned jointly with rights of survivorship, along with life insurance and annuity policies that are paid directly to named beneficiaries.

The probate estate generally includes two types of property: real and personal. Real property would include buildings, land and other real estate. Personal property represents anything else, including personal possessions, bank accounts and stock shares. Personal property generally is probated based on the deceased's residence; real property is probated based on its actual location. It is possible that an estate may need to go through several probate processes in different states to distribute all property.

The estate administrator must inventory and establish a value for all real and personal property. Also included in the inventory is any money owed to the estate, such as loans, final paychecks and insurance policies. For bank accounts and investments, the administrator may want to combine assets into one account to avoid investment fluctuations and simplify paying estate bills. For some property—such as a house, rare coin collection or antiques—the administrator may want to hire an appraiser to establish value.

This property inventory and approximate value need to be filed with the probate court.

### 3 PAYING CREDITORS, EXPENSES AND TAXES

While the estate is going through probate, certain expenses will need to be paid by the estate. This could include outstanding bills from before the deceased passed away, along with maintenance expenses for the estate property. Expenses also may include fees for the probate lawyer, appraisers and other professionals supporting the probate process. The deceased's surviving spouse and dependent children generally are given an allowance while the estate is going through probate. Plus, the estate administrator is compensated from the estate for the time and effort involved. Later in the probate process, the estate administrator is responsible for paying taxes due.

Part of the administrator's responsibility is to evaluate submitted bills and claims, determine if they are valid and allocate estate funds for payment. This is another area where a probate lawyer can be of great assistance, because he or she can help deal with creditors and watch for fraudulent bills and claims.

**Important: Except in cases of negligence or wrongdoing, the administrator is not personally responsible for these expenses. Potential expenses, claims and lawsuits are directed against the estate and would be paid out of the estate's assets. The administrator is responsible for gathering the estate's assets, overseeing the estate's property and paying lawful bills and other obligations from the estate's funds. The administrator is expected to act prudently with the estate's assets, but he or she is not personally responsible for estate obligations.**

### 4 TRANSFERRING REMAINING ASSETS TO BENEFICIARIES

When the estate has been inventoried and all claims, debts and expenses are paid, the administrator should distribute remaining assets to the proper beneficiaries. When a will exists, much of this distribution will be dictated in the will. In situations without a will, state law will direct how remaining assets are distributed.

Often, restrictions and waiting periods are in place on the administrator selling or transferring real estate. The administrator usually is able to sell or transfer personal property any time to meet estate expenses, but there may be a waiting period before the final distribution is made to beneficiaries. These waiting periods allow interested parties to submit claims on the estate and help eliminate situations where additional claimants appear after the property has been distributed.

### 5 SUBMITTING FINAL SETTLEMENT TO THE COURT

After the remaining estate assets are distributed, the administrator must submit a final accounting to the court of all of his or her dealings on behalf of the estate. This is the final point for the court and outside parties to evaluate how the administrator handled the estate's affairs. Any party that objects to any aspect of the probate process may come forward and make objections known to the court. When the probate judge approves the final settlement, the estate is considered closed and the administrator's role is complete.

*Benefit NOW  
Account®*



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Funds in the BenefitNOW Account® earn interest—compounded daily and credited monthly—from day one. The account has no time limit, so you can take all the time you need to figure out the best way to fit these funds into your complete financial plan. The funds are available any time to you; you can access the entire balance for any purpose.

We provide detailed monthly statements to help you track account activity. This special service is provided at no cost to you.

You may access funds using personalized drafts you'll receive when you open your BenefitNOW Account®. Simply write a draft for any amount up to the account balance. The process is that easy and straightforward.

A BenefitNOW Account® is a stress-free way to keep insurance proceeds while you determine your financial plans.

\*The general and educational information above was written to support the sales, service, and marketing of insurance policies offered by Bankers Conseco Life Insurance Company and Bankers Life and Casualty Company. Based on your particular circumstances, you should seek specific advice from a qualified and duly-licensed independent tax advisor.

## Document checklist

✓	Document	Purpose	Location
<input type="checkbox"/>	Original life insurance/annuity policy	Filing claims and finding out information on payment	Filing cabinet, desk, safe or safe deposit box
<input type="checkbox"/>	Certified death certificates	Processing claims, entering safe deposit box, filing tax returns, Social Security and/or veteran benefits	Copies can be obtained from the funeral director or county clerk's office
<input type="checkbox"/>	Will, summary of deceased's assets (if no will exists)	Providing to attorney and/or surrogate court	File cabinet, desk, safe, safe deposit box, drafting attorney's office
<input type="checkbox"/>	Marriage certificate(s)/domestic partnership agreement	Filing to receive benefits from Social Security, VA and/or state/employer	File cabinet, desk, safe or safe deposit box
<input type="checkbox"/>	Dated obituary notice and newspaper articles	Processing some claims	Regional newspapers
<input type="checkbox"/>	Business agreements (i.e., buy-sell agreement, partnership documents)	Providing to attorney	File cabinet, desk, safe, safe deposit box, accountant
<input type="checkbox"/>	Certificate of appointment (for estate executor or other fiduciary responsibility)	Processing claims and/or disposing of assets	Probate court
<input type="checkbox"/>	Deceased's employee benefit statements	Determining benefits available to survivors	File cabinet, desk, safe or safe deposit box; deceased's employer
<input type="checkbox"/>	Retirement plans, brokerage accounts, mutual funds, stocks, bonds, real estate deeds, joint billing statements, automobile registration, other insurance contracts (e.g., fire, homeowners, auto)	Changing beneficiary and names on joint accounts	File cabinet, desk, safe or safe deposit box
<input type="checkbox"/>	Social Security card	Applying for Social Security benefits	Safe, safe deposit box, wallet, purse
<input type="checkbox"/>	Current bills	Preparing household budget and discussing with attorney	In the mail for up to 3 months

# Six Points to consider when designating life insurance or annuity beneficiaries

Naming the beneficiary of a life insurance or annuity policy may seem easy, but common mistakes and pitfalls can occur. One mistake in naming the beneficiary could be heartbreaking and costly. To ensure your final wishes are carried out, consider these six points.

## 1 Dependent adult children

Leaving insurance proceeds directly to a dependent child, such as one with special needs, could cause risk in losing government benefits. A large sum of money may disqualify the child from Medicaid services and Social Security income. It is important to plan in advance. A better option may be to work with an attorney who can properly draft a special needs trust to which insurance benefits are payable.

## 2 Community property states

Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin have special rules. In these states, if you named someone as beneficiary besides your spouse, you will need your spouse to sign a waiver. This is necessary if you are using commingled money to pay life insurance premiums. But if you pay premiums with money from before the marriage or from a gift or inheritance, you may designate the proceeds to whomever (with an insurable interest still required at issue).

## 3 Periodic reviews and updates

When important life changes happen—or at least every few years—it's important to review and update beneficiaries. A death in the family, a divorce or remarriage are just a couple examples of reasons to revisit beneficiary designations to ensure your wishes and desires are met.

## 4 "Per stirpes" or "per capita"

You don't need to know Latin, but you should understand the differences between these two terms. A "per capita" designation means that no one except the named beneficiary(ies) that survive the insured will receive a share of the death benefit at the time of the insured's death. "Per stirpes", Latin for "by the stock (branch of family)," means that the policyowner intends for the named beneficiary's heirs to receive the beneficiary's share of the death

benefit if the beneficiary dies before the insured. Here's an example:

Suppose two children, John and Mary, are heirs of their parents. John has two children, Aaron and Brenda. If John and Mary are made their parents' beneficiaries "per stirpes" and John dies before his parents, his surviving children, Aaron and Brenda, will receive his half of the proceeds. His sister Mary will receive the other half.

Now, if John and Mary are made the beneficiaries "per capita" and John dies before his parents, Aaron and Brenda receive none of the proceeds. His sister Mary will receive the entire death benefit. Ask your insurance agent or company for assistance in designating a beneficiary on your insurance policy or annuity.

## 5 Estate vs. direct beneficiary or family trust

One of the best benefits unique to life insurance is to allow proceeds to flow promptly and income-tax free to living beneficiaries. Naming an estate as the beneficiary can create delays, however, along with additional death-tax burdens and fees. In some cases, the deceased's final medical bills may consume the entire estate.

As an alternative, leaving insurance proceeds to a direct beneficiary, like an adult child or spouse, may be a better choice. If you've planned ahead, naming the family trust could be suitable as well. Just remember to include the full name of the trust, along with the date it was established or last modified.

## 6 Contact information

Provide as much contact information as possible for any named beneficiary. This information will help locate named beneficiaries at the time of the claim. Information should include each beneficiary's relationship to the policyholder, address, telephone number, birth date and Social Security number.

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