

The “Daily Plan-It™”

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Help a Client’s Family Avoid Confusion in a Crisis with Proper Estate Planning

More and more baby boomers are finding themselves making medical and financial decisions for their aging parents. Often, these decisions fall to one child while other siblings are out of the loop for reasons of distance or other responsibilities.

But some families have a lot of leaders – or at least they have a lot of strong willed adult children who each have opinions on what a parent needs or doesn’t need in terms of long-term care.

Key Question: Who is in Charge?

For example: Dad enters a hospital in need of immediate hip surgery. Unfortunately, he has an allergic reaction to medications. He is hallucinating and incoherent. The doctors need to change his treatment, but they aren’t sure who in his family to turn to for a final decision.

Dad’s four adult children argue over what each thinks should happen. Old sibling rivalries are surfacing at a time when Dad needs his family to unify.

As an advisor, you may be called in as a default mediator to help families deal with such issues.

Naturally, this kind of scenario can sap your energy, time and focus away from other clients. How you choose to help clients plan for medical crises in advance can not only help them but also prevent a similar scenario from hurting your business.

A Family is Not a Democracy

In most families, managing by consensus just doesn’t work. There’s a reason why Dad or Mom was initially in charge.

In a crisis, it takes too long to get a consensus. Relatives that need to be present can’t be there or can’t be reached on the phone. Or worse, everyone disagrees while the consensus builder is trying to get unanimous consent.

Whether the issue is health or money, consensus building usually won’t work in a time of crisis.

What are the Tools?

What you’re looking for in these situations is your client’s written instructions and choice of leadership. We recommend that a family use several tools.

Everyone – and I stress *everyone* – needs a Durable Financial Power of Attorney. This provides all types of financial authority to allow a chosen family member to make financial decisions for Dad if he is incapacitated.

The Health Care Power of Attorney and Living Will vary from state to state, but the concept is the same. Someone is charged with making all health care decisions for Dad, including whether or not to terminate artificial life support.

These written instructions are critical for families, and you as an advisor should encourage your clients to put them in place through proper estate planning documents.

As always, I hope this article has helped you and your clients. If you have a specific case or concern, please contact our office.



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