

Case Study: Remarriage and Beneficiary Designations

Craig and Bethany were two executives in public companies who had just celebrated their 5th wedding anniversary. They'd married each other later in life, and loved to tell their "meet-cute" story of how a delayed flight led to a conversation at the gate and to an instant connection. The couple eventually married and held a destination wedding in the city they had both been heading to when they met at the O'Hare airport.

After celebrating their fifth year together, and discussing plans for the future over a celebratory bottle of wine, Craig and Bethany contacted White Oaks to develop a new financial planning strategy for their family. They both had reached a comfortable net worth through their saving/investing efforts and intelligent exercise of employer-granted stock options.

We began developing an investment plan to improve the safety of their portfolios, including strategies to minimize tax impacts of remaining options and updates to their existing estate plan. During this process,

it was determined that no additional life insurance was needed. The current policies were of significant size, more than adequate for their current needs, and had been in force of a number of years.

However, while reviewing, an interesting fact was uncovered. Craig, Bethany's current spouse, was not named as her current beneficiary. After her divorce almost 20 years ago, there had been no requirement in the divorce decree to maintain the coverage of the previous spouse as beneficiary. It was simply assumed that this detail had been completed. If Bethany had passed away, the money would legally be paid out to the current beneficiary instead of Craig, despite the current language of the wills and trusts and all the verbal promises the couple had made to one another.

With thorough investigation, we were able to catch the mishap and make necessary corrections so in the case of an untimely death, Craig would rightfully receive the intended proceeds from his wife and best friend.

