



SSC # 42 – THE IMPORTANCE OF BENEFICIARY DESIGNATIONS

This course is eligible for:

3.5 Life & A&S CE Credits for BC, AB, SK, MB & ON.

What will the Financial Advisor learn as a result of completing this course?

One of the most important decisions your client's and prospects will make when setting up a financial plan is appointing beneficiaries on the various products that they own such as RRSPs, RRIFs, LIRAs, Life Insurance, etc.

Naming a beneficiary or several beneficiaries makes sure that the institution that they are dealing with will pay the proceeds to the right people in an expedient manner. The payment of proceeds is paid directly to the beneficiary and therefore passes their estate, saving time and excess money.

If you advise a client to make a beneficiary designation or designations that do not fall into their financial and estate planning objectives, then you potentially expose yourself to very significant liability.

This course will provide the advisor with the basic knowledge necessary to ensure that the client's beneficiary designation is the one that the client wants to appoint, based on the exchange of information during the financial planning process and in keeping with the goals and objectives that the client wants.

This course covers:

- Different types of beneficiary designations such as irrevocable, revocable, primary, tertiary.
- Naming an estate as beneficiary and the probate process and fees.
- Strategies to reduce or avoid probate fees including disadvantages etc.,
- Giving gifts prior to death, joint tenancy, multiple wills, corporate debt and
- Property transferred to a trust will be discussed.
- Your clients' rights if they are chosen as a beneficiary of an estate
- Important issues to consider when making beneficiary designations

- Questions such as - What happens when you do not have a beneficiary? How many beneficiaries can you have? What is a beneficiary responsible for? What happens if you are a beneficiary in a will? Do executors need to consult beneficiaries?, will be answered.
- Problems if a beneficiary is not named correctly, & Can a last minute life insurance beneficiary change be contested?
- What the requirements for beneficiary changes consist of.
- How often should beneficiaries be reviewed? & Changing beneficiary designations after a divorce.
- Revoking a will and updating a beneficiary designation requirement. How beneficiaries can claim a life insurance policy
- A beneficiary must have an insurable interest.
- Having multiple beneficiaries, Per capita & Per stirpes options will be looked at.
- What and who are the common types of life insurance beneficiaries.
- Naming an insurance policy, RRSP, RRIF & TFSA beneficiary.
- Beneficiary designation mistakes to avoid
- the “dos and don’ts” of naming a beneficiary
- Using an estate planning lawyer as part of the advisor’s professional team.