

A practical financial guide after the loss of a loved one



Prepare today.
Help protect tomorrow.

Facing unfamiliar decisions after a death in the family

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When someone you love passes away, there are numerous financial considerations to face and, ultimately, important decisions to make. It can be particularly overwhelming when you're grieving or if you've never handled financial issues before.

At The Hartford, we understand the needs of families and beneficiaries, and the diverse situations they may encounter during this time. Our step-by-step guide is designed to help you handle the many financial issues as efficiently as possible, both at the time of death and afterward. In this way, you can count on The Hartford to provide the knowhow you need to help ensure your financial protection today and in the future.

A time to adjust and assess.

A spouse may be required to take on family budgeting responsibilities that the deceased once handled. And the family's financial future could suddenly depend on the surviving spouse's long-term planning skills.

Many of us are ill-equipped to assume these responsibilities. Yet thousands of people do it every week, and you can, too. This isn't the time to make sweeping changes in your life. Instead, gather your resources and assess your situation. If possible, delay long-term, major financial decisions until you've had the time to adjust and learn. This doesn't mean you should fail to act on urgent matters. It means you should avoid locking yourself into long-term financial

commitments that might be difficult or costly to reverse. And avoid taking financial risks in areas that are unfamiliar to you.

This brochure has been prepared by The Hartford to help you gather the information you need, assess your financial position, and move forward in the best interests of your family.

Papers at your fingertips.

Our first task is to find all the documents that relate to the deceased person's financial affairs, such as the ones shown below.

Insurance papers

- Life insurance policies
- Health insurance policies
- Annuity policies or pension plans

Current business papers

- Loan agreements
- Business agreements
- Installment payment booklets
- Checkbooks
- Outstanding bills
- Credit/debit accounts

Financial statements

- Assets
- Bank books
- Stock or bond certificates
- Brokerage house statements
- Real estate deeds
- IRAs
- 401(k) plans

Official documents

- Certificate of birth or marriage
- Social Security card
- Income tax returns
- W-2 forms
- Will
- Military discharge or service records
- Trust documents

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It's difficult to review papers that were formerly the private property of a loved one. But keep in mind that, unless you do, your financial well-being and that of your family could be at stake. Take the time to be thorough. If you're uncertain about the value of a document, keep it. **Don't throw out any official-looking papers.** Even insurance policies that seem to have expired may still be in force through automatic terms stated in the policy.

Often, finding these documents means going through the personal papers of someone who shared your life.

If you have not been close to the business life of the deceased person, you may need to use your knowledge of the person's habits to compile a list of places to search for papers. Check file cabinets, cupboards, safes, bureau drawers, metal file boxes, and bank safe deposit boxes.

A will is your loved one's intentions.

Check with the deceased's attorney, who may be holding essential estate documents, including a will. If a will exists, most states require that the original copy be filed with the Probate Court within a specified period of time (such as 30 days). You may need the help of an attorney to comply with state laws regarding the probating of the estate and to file state and federal tax returns. Probate Court personnel can also be helpful here.

The order of each person's financial files varies, but even if the deceased kept impeccable records, you should establish files that make sense to you.

Once you've located all the documents you'll need to refer to in the months ahead, organize them in a way that will enable you to find specific papers as quickly and easily as possible.

You'll need several original death certificates.

In addition to the documents suggested earlier, you'll need at least 10 original death certificates. Copies will not do. Originals are easy to distinguish from copies because they bear a raised stamp or a colored seal. Usually, the funeral director will obtain death certificates, but if you find you need more, you can get them from the Office of Vital Statistics in the town or city where the person died.

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Life insurance proceeds for financial needs.

Obtaining proceeds from a life insurance policy is often the easiest task to complete. Cash from a life insurance policy is paid directly to the beneficiary named in the policy, or according to the terms of the policy. Policy proceeds normally cannot be attached for payment of the deceased's debts. And they're not subject to the legal proceedings of probate courts. So they can be an important source of funds to meet immediate financial needs.

Tips on tracking down individual life policies.

If you locate an individual life insurance policy, notify the insurance company as soon as possible. Include a death certificate and a cover letter that states the deceased person's name and policy number. (A sample cover letter appears on page 12.) Some companies also require the face page of the policy, while others require the entire policy contract. If you're uncertain about what to include, phone your agent or the company and ask. A quick phone call could save days in receiving funds needed to meet expenses.

You may discover a life insurance policy that was purchased many years ago. The company may since have moved or merged with another company. If you can't locate the company, write to the insurance commissioner in the state where the policy was issued. You can get the address of that state's insurance commissioner from the Secretary of State's office.

You may be covered for group life benefits, too.

Group insurance covers many people under one policy. You won't find a policy contract because it's held by the employer or representatives of the insured group. However, you may find a booklet or certificate that describes the benefits. This booklet may be a small pamphlet — about 5-1/2" x 8-1/2". Size does vary, however, and some benefit descriptions may even be contained in loose-leaf binders. The name of the policy holder (employer or organization), the insurance company, the policy number, and the effective date of coverage will be included. Benefits described may include health insurance, life coverage, pensions, or survivors' benefits. The two main sources of group benefits are employers and organizations.

Tracking down employer group benefits.

Contact the deceased's employer. Even if the person was retired, there may be pension and benefit plans still in effect that offer health insurance coverage and/or a death benefit. There may also be pension arrangements that pay a regular income to a surviving spouse. If the employer can be contacted by phone, this will speed the process, since you can quickly learn which forms are required. If telephoning is not practical, write to the employer. (A sample employer contact letter appears on page 13.)

A quick phone call could save days of delay in receiving funds needed to meet expenses.

Tracking down organizational group benefits.

There are many other possible sources of pension benefits and/or life insurance benefits, depending on the affiliations and work history of the deceased person. For example, some fraternal organizations provide benefits to their members' survivors. Former federal, state, or local government employees are sometimes provided with life insurance coverage.

The Veterans Administration provides certain benefits for veterans of the U.S. Armed Services. Railroad workers are covered under the Railroad Retirement Act. Many teachers are covered under independent or union-affiliated retirement plans. If the deceased belonged to any organizations, contact each and inquire about survivors' benefits.

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Don't assume that former employers or organizations will contact you or that there is no benefit due. Contact *them*. For the price of a stamp, you could gain information that might make a big difference to your family.

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Be proactive about proceeds.

Although life insurance claims are often paid in a lump sum, there are alternatives you can investigate:

- Many companies will hold the life benefit and pay interest on it. They also offer to pay life claims in installments and will pay interest on the portion of the principal sum held for future installments. You may be able to specify installment amounts and the period of time over which you wish to receive them.
- You may also want to inquire about an annuity, which provides a regular income for the lifetime of the annuitant (beneficiary of an annuity) you specify.
- If you decide to collect your entire benefit in a lump sum payment, be sure to invest it wisely and safeguard it against loss. Explore the options to find an investment that meets both your risk and return needs.

Turn to health insurance for medical bills.

In many cases, death follows a long illness, and there are remaining medical bills. These expenses may be covered by health insurance. There are three common sources: individual insurance, group insurance, and Medicare.

How to work with individual health insurers.

If you find an individual health insurance policy, contact the insurer immediately by letter, and request claims forms.

To complete any health insurance claims, you will need to know the status of all medical bills. After you have sent the Notice of Claim to the insurer, take the time to gather up all medical bills and review checkbook records for entries that might show a bill was paid. Even if a bill has already been paid, insurance coverage may reimburse the charge. If a hospital is involved, check with its business office. Hospital personnel can help you determine how much is outstanding on the account and can often assist in identifying expenses that are covered under various types of insurance. If you have a good understanding of the current state of medical expenses, you will be in a much better position to complete claims forms when they arrive

How to work with group health insurers.

To file a claim for health benefits under an employer or organization group plan, follow the procedure described earlier under the Group Life Insurance section.

Medicare: A prime source for medical payments.

Medicare, which is administered under Social Security, pays certain medical expense benefits to people who qualify. You can learn about these benefits by contacting the nearest Social Security office as described below.



You may be eligible for Social Security benefits, too.

Contact your nearest Social Security office as soon as possible. If you're a surviving spouse, you may be eligible for benefits. If you're a surviving spouse already receiving Social Security benefits, you may be eligible for an increase in the amount of your benefits. Social Security also provides benefits for the minor children of a deceased parent and a lump-sum death benefit to other beneficiaries of qualified individuals.

If you have any doubts about whether you qualify for any Social Security benefits, call. These benefits are not sent automatically — you must apply for them. So take the time to make that phone call and ask.

Some guidelines for working with the Social Security office:

- Before calling, make sure you have your Social Security number and the deceased's Social Security number ready.
- Make an appointment to meet with a Social Security representative only if you qualify.
- Find out which documents you'll need to bring with you. Bringing the right documents the first time can save you valuable time.

Seek real expertise for real estate.

Real property, owned in whole or in part by the deceased person, must be processed in Probate Court. The phone number of the area Probate Court is usually listed in the blue pages of the telephone directory. Call ahead to determine office hours, and make a list of documents you should take with you. If possible, make an appointment.

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When real estate is involved in an estate, it's wise to consult an attorney. To many Americans, a home represents their life savings. Therefore, the greatest potential for loss is the transfer of real estate when a family member dies. An attorney can represent your interests and help you protect real estate assets. If you don't have one, ask a trusted friend or business associate to recommend a reliable lawyer, or call the State Bar Association. The State Bar keeps records of all attorneys practicing law in that state and can suggest a lawyer in your area who can help you.

Some estates are very simple, and some are very complicated. However, the laws governing estates and inheritances are different in every state. If you're not experienced in legal matters, think seriously about hiring an attorney to represent you.

Bank and brokerage accounts: handle with care.

Both banking and brokerage accounts bearing the name of the deceased person must be changed. Contact each bank or brokerage house and explain your situation. They can help you take action for the accounts involved. As with real estate, it's often in your best interest to consult an attorney before making any changes in these property records.

Make no assumptions about credit accounts.

Loans, mortgages, and credit cards are often insured for the outstanding amount of the debt. If there are such debts, contact each bank or creditor and determine the status of the debt and whether or not it is insured. Don't rely on finding a loan agreement or credit card to lead you to these sources. Review checkbook records or online statements for any regular payments that indicate outstanding loans.



Many credit card companies now offer group life insurance that is unrelated to the outstanding debt. Depending on the terms of the insurance contract, there may be a death benefit. Write to the company or institution that issued each credit card and ask if there is credit insurance or any other insurance on that account. Be sure to include the credit card number, but **don't enclose the card**. Hold all credit cards in a safe place until you've concluded all business related to them. Then either return each card to the issuing company, or destroy it so that no one can use it illegally.

Taking stock

Changes in your life will require changes in your business affairs. When you're ready, take stock of your own situation. Do you need to reassess your own life insurance in terms of amounts or beneficiaries? You may now have too much or too little — or the wrong kind. The checklist on the next page lists the things that most often require attention.

No matter how much practical experience you've had in managing a regular income, managing the family estate is a new level of responsibility. Consider getting some professional help.

Depending on your needs and family responsibilities, you may want to talk with a bank, a lawyer, an insurance agent, an accountant, or a stockbroker.

Seeking help is not a sign of weakness or ignorance. It's just good judgment. Those professionals spend most of their lives becoming experts in their fields. Don't be afraid to inform them fully about your financial affairs and to ask lots of questions. They are paid to advise, and they can't give you good advice if they don't have the facts. You can't make good decisions if you don't ask questions and get the information you need.

Remember, you have to decide. Whether you suddenly have a large sum of money and aren't sure how to handle it wisely, or you're faced with a shortage of funds and don't know how to make ends meet, there are financial guidance services to help you make the necessary decisions. Many banks and other financial institutions offer free counseling to help you assess your total financial position and develop a plan for a more secure future for you and your family. This is the time to start planning.

No matter how much practical experience you've had in managing a regular income, managing the family estate is a new level of responsibility.

A to-do list for your records

Changes to make.

- Name on auto insurance.
- Name on homeowner's insurance policies.
- Name on credit or debit cards (or cancel them).
- Name on stock and bond accounts.
- Name on credit union and bank accounts.
- Tax exemption status if you're employed.

Items to find.

- Individual and group life insurance documents.
- Current business papers.
- Assets, such as real estate deeds or bank accounts.
- Official documents.

Places and people to contact.

- Social Security office.
- Trusted lawyer.
- Insurance companies.
- Financial advisor.
- Employers and organizations.

Decisions to review.

- Financial situation.
- Insurance amounts and beneficiaries.
- Beneficiaries on stocks and bonds you own.
- Your will (or have one written).
- Any jointly held accounts.

Need more facts?

Just visit our Web site at

thehartford.com/employeebenefits.

It's where smart benefit decisions begin.

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