

SPECIAL NEEDS TRUST FUNDED WITH LIFE INSURANCE

THE NEED

The fraternity of parents with special needs children or grandchildren, is bigger than most people think. The need to provide and care for a special needs child doesn't go away, when the parents die. The problem comes when the child outlives the parents. Who provides for the child then? If there are no siblings, then all the assets of the parent's estate can be liquidated, to do the job. However, when there are siblings, trying to redistribute estate assets to provide for a special needs child can sew disharmony into a family, because siblings would likely be disinherited to some extent. Children care little about what their parents do with their money, while they're living, but they care mightily what they do with it, when the will is read

THE SOLUTION

The solution is to set up a special needs trust and fund it with life insurance. Depending on circumstances, the amount needed to provide long term support, can be quite large. Insurance leverages small trust gifts (premiums) into a very large benefit for the special needs child. Importantly, all siblings are treated equally with their inheritances, thus keeping harmony in the family.

