

The Divorced Christian Woman Podcast with Natalie Hoffman, Season 3, Episode 6 - Estate Planning and Insurance After Divorce

Heads up, friend: What you're about to read is a raw, unedited transcript straight from the robots. That means you'll find some weird words, funky punctuation, and moments that make you go, "Huh?" If you want the real experience (and to actually know what's going on), I recommend reading the polished article, listening to the full episode, or watching it on 1.5x speed with captions on. Your brain will thank you.

Natalie: Welcome to season three of the Divorce Christian Woman Podcast, which is all about money and finances. And this is episode six where we're gonna be talking about estate planning and insurance with Leah Hadley. She's an accredited financial counselor, a certified divorce financial analyst, and a master analyst in Financial Forensics.

She's also the founder of Intentional Divorce Solutions and Intentional Wealth Partners, and she's also the author of *When It's Just Not Working, A Practical Divorce Guide for Stay at Home Moms*. So I think she's qualified to have this conversation with us. Welcome, Leah. Thank you

Leah: so much for having me, Natalie.

It's my pleasure to be here.

Natalie: Yeah, and Leah and I have talked in the past, I think a couple of times she's been on the Flying Free Podcast. So this is the first time though that we have uh, well, the Divorce Christian Woman Podcast just launched last year. And, um, this whole season is all about financials, fi or finances.

So I thought we have to have Leah on for sure for this season, so, okay. So what do you see typically women feeling most overwhelmed by when it comes to insurance and estate planning in your experience?

Leah: Yeah, this is a great question because this is a tough area, quite frankly. A lot of people see insurance as an expense, as something like, ugh, we have to pay for this every month.

And we really look at it as protection and an investment in that protection, right? And so if we think about it a little bit differently, that can help you to kind of get unstuck there. If you're somebody who's just looking at like, one more thing I gotta pay for. Um, we'll talk more about this, Natalie, but I think that is where a lot of people get stuck, specifically around insurance.

And then as far as estate planning, we're talking about end of life planning and most people have a really hard time talking about their own mortality, right? Yeah. And that's completely normal. But when we think about it in terms of. Taking care of our family, taking care of the people we care about, thinking about what kinda legacy we wanna leave behind.

Again, when we really kind of reframe it in that way, we can get out of that sort of stuck pattern. But that's where I see people getting stuck in, in both cases. The other piece of it though is this is new territory for a lot of people. And so sometimes you're just stuck with like, who do I even talk to about these things?

Right? Yeah. Especially if you were just recently divorced, you're dealing with all these legal bills and now you're talking to me about estate planning. You want me to pay for more legal bills, right. And so a lot of times, you know, it's just an area where maybe we don't have a lot of experience, we're not sure what to ask.

Um, and so I love that you're covering this in this episode because we can really get into some of the things that people should, should know about these things. Yeah. And the

Natalie: good news is that there is, it's, it's basic. It's like anything. It feels overwhelming. It feels big and impossible when you don't have the knowledge, when you don't have, right.

When you don't know what, what you're talking about. But the education is out there, you know? Mm-hmm. There, there is, there's so many ways that you can learn about it and it doesn't have to be overwhelming. I had my own experience with how important insurance is last year, a year ago when I had a car accident.

Mm-hmm. And, um, and realized, and what, I mean, I had surgery, I had, my car was totaled and I am so glad that I had the, my insurance, you know, the way

that I wanted it. 'cause you don't always necessarily, you know, if I hadn't had someone walk me through what kind of car insurance that I needed to have, it might not have covered all of the expenses that I walked away with from that accident.

So, um, and then also estate planning. I love what you said about. When you reframe it as, what am I leaving? Like the legacy that I'm leaving for my kids. I think a lot of us moms, we can re we can get into that. Yeah. Like I can buy into that. Okay, I don't like to think about my death and I don't wanna, but what kind of legacy am I leaving for my kids?

Alright, I'm on, I'm all on board for that. How can I make it so that it's easy, the easiest possible transition for my children and I get to lay that groundwork before? Beforehand and it's really a gift that I can give to my kids.

Leah: It's exactly what it is. I, I lost my mom in July and I was the person who was responsible for handling everything after she passed away.

Um, and she just had two kids, so just myself and my brother. Um, but my brother lives out in California. We're here in Ohio. So, you know, I, I took care of everything. And that is exactly the words that the funeral director used when he talked to me. He said, your mother gave you such a gift that so few parents give their children.

And that honestly, she made it as easy as it could have been. I mean, obviously I was grieving. There's a lot of difficult things you're dealing with when you lose somebody that close to you, but not dealing with the stress of all of the legal issues and the funeral planning. I mean, so grateful. And you're exactly right.

It is absolutely a gift that you give your family.

Natalie: Yeah. Yeah. Wow, that's a great illustration or a great, uh, example. So it, before we get into, I eventually wanna get into, I kind of wanna break it down to two parts. This discussion, talk about insurance questions, maybe first, and then we'll deal with estate planning.

But before we do that, is there right from the get go, is there an easy button for this? I was looking for the easy button

Leah: for everything. I think that when you're looking for the easy button, when it comes to protecting yourself and your legacy, that you're doing yourself a disservice, unfortunately. I mean, there are instances where I will direct clients

if we have a specific need, and I know they can go to a particular website and get a quote for insurance, you know, but they're getting the advice of exactly what they need when they go get that quote right.

When you just kind of go online and get the cheapest thing or do the easiest thing. When it comes to legal documents, a lot of times you just don't know what you don't know, and exactly what you were talking about before, Natalie, if you didn't have the right coverage in place, your experience with that car accident would have been very different, and it honestly.

We see situations where people will have an accident, they don't have good coverage, and the financial impact of that can impact the rest of their life. And so this isn't something where we're talking about like short-term protection, the things that you're protecting really can have a very long-term impact.

Natalie: Yes. That's exactly it. That's exactly it. And I think that's what my, um, when I hired a financial planner several years ago. 'cause I didn't know, yeah. I didn't know what I was doing and I knew that I just needed someone else who did know to walk me through it. That was something that came up again and again is if you, something could happen to you that would impact the rest of your life and, and wipe completely wipe you out.

Right. And that was, it wasn't a, it wa I don't think he was trying to make me afraid. He was just trying to be realistic about Yeah. How life goes. And I think those of us who are divorced, we all. Should know by now that life does not go the way we planned it. It just doesn't Correct. We get, we get thrown curve balls left and right and when we start anticipating that and planning for those curve balls, we can actually handle them a little bit better.

Oh yeah. Okay. So I'm gonna, I have some kind of typical questions that women might be asking, but I think there might be some people who hear these questions and go, oh, well I really act actually wasn't asking those questions, but maybe you should be asking them. Maybe there are things that we should be thinking about.

I know that when I was overwhelmed with life, these are not the kinds of things that I felt like I had the capacity to address, but when the dust began to settle, I did. That's when I did at least have the wherewithal to go, okay, I don't know what I'm doing. There's a lot of things that are undone here.

Maybe I need to hire someone who can help me. And I, I, I hired a financial planner locally. Then he walked me through things step by step in a way that

was very bite sized and that I could do over time. And it probably took a year actually, to get everything in place. Um, I had, I had originally thought, you know, oh, I'll just get on talking about going online.

I'll go online and I'll do a will online. You know, you can go and get those wills. Yeah. Well, when I actually worked with an attorney on my will, you said you don't know what you don't know. I realized there was a lot of things that I didn't know about a will that an online will di because I had knew someone who did an online will, did not, I mean, his online will was maybe, I don't know, three pieces of paper.

Mine, a big, huge, thick thing, and she walked me through every little de comb, through every little detail. So there's no stone unturned, which I think is really important, especially if you have. Kids or you have anything that you, you know, especially if you have things that you wanna pass down. So, um, and then I've had to continuously update that will over time 'cause life has changed in the last nine years.

But there's definitely a sense of peace around this now for me, and I'm glad I did the work. So let's get into it so that maybe some, some people who are listening can start thinking about doing this work as well. So, um, there's lots of different kinds of insurance. I think we should go through maybe the different types of insurance to consider.

One is a big one that people I think comes to mind first, which is health insurance because. When you get divorced, you don't always get to carry with you the health insurance that you maybe were on, you know, the plan that you were on before unless you are working and you have your own health insurance.

So can we talk about like that transition of health insurance? What are the different things that come up and things to consider for women who are divorced?

Leah: Yeah, so I really encourage people if they think they're going to have an insurance, need health insurance, if they're on their spouse's insurance, to start exploring their options as soon as possible.

Um, I also share a couple stories often, you know, my own divorce, I was a financial advisor when I got divorced, so let's be clear, I had a lot of financial background. We had paid our health insurance premium for the month. I made the assumption that I was covered for the month of my divorce and I had a

procedure like, I don't know, it was a day after, just a couple days after my divorce.

And, and again, I had the coverage I assumed and that they didn't say anything. 'cause when they ran the insurance it was fine. Right? Well, it turned out my insurance cut off on the day of our divorce. Now I was very fortunate and I was able to negotiate and work with, um, the clinic that had provided, you know, the services for me.

But very, very important to know when your insurance actually does terminate so that way you can plan accordingly. You know, uh, that was something that I was very surprised by the, came up with one of my clients. Kind of interestingly, most of the time when people are separated through the divorce process, you can leave your insurance as is.

In her particular case, she was married to somebody in a union. He was a tradesman, and their policy was that if you were separated, they would not provide coverage. She had surgery and a ton of physical therapy during that time. Oh. When the union found out that they were separated during that time, they actually retroactively got her off of the insurance.

The medical bills were just. Unbelievable. So if I can't stress anything enough, it is going to be to make sure through the divorce process, you know exactly how that coverage works when you're covered and when you're not, that's so important. But then certainly thereafter you do have options. You know, the nice thing is COBRA is available for a period of 36 months.

It's typically 18 months, um, if you leave a job, but you could potentially continue your existing coverage over Cobra for a whole three years. Um, for some people, especially if you have, you know, chronic health issues, you have specific providers that you're using, maybe you have prescriptions that you're concerned about.

For some people it's important to have that continuity of coverage. Um, and so problem with COBRA is often that it is very expensive. Yeah. So when you're paying for Cobra, you're not just paying for the employee part of the premium, but you're also paying for the employer part of the premium. So you're paying the entire premium on that plan.

And it, it can be expensive for a lot of people and sometimes cost prohibitive, right? A lot of times people will look at the marketplace as a possible solution. Now, that's sort of a moving target right now in terms of what's gonna happen

with subsidies. I don't, you know, things may change quite a bit between now and when this airs.

Um, but the marketplace is becoming cost prohibitive for people as well. Unfortunately, I really encourage people to talk to a health insurance broker, somebody who works with. All kinds of different plans, all kinds of different options. Sometimes they can get you into a short term solution if maybe you're starting a job that might have coverage.

They have options that are available to you, but you really wanna work with somebody who's gonna sit down and educate you about your options, whether you're looking at the marketplace, whether you're looking at Cobra, whether you're looking at other kind of options, just getting a policy on your own.

They can really help you understand the pros and cons, but more importantly, with your specific health concerns, they can look at how these different plans are going to support you.

Natalie: That is so important. I learned that this year when I, 'cause I went and got a plan on the marketplace and found out after, and I knew that I, I have some pre-existing conditions and one of them, my doctor was recommending a medication that is, it's \$6,000 a month for 12 months.

Leah: Wow.

Natalie: And so, um. I went to my insurance then to see if they would cover any of it. They don't cover that medication.

Leah: Mm-hmm. Well,

Natalie: I didn't know that. So anyway, I went through a process. Fortunately, uh, my doctor really went to bat for me and she was able to get it covered mostly. It's not all. Oh, great. Yeah. I still have to pay \$2,000 a month, but it's better than \$6,000 a month for sure.

So, um, yeah, but that, that is something that I had never thought of before. I just got, and, and I didn't go through a broker. Um, some, I feel like there's, I don't know, I have mixed thoughts about brokers. 'cause for example, we'll get into car insurance too. Um, I just, this is just happening right now in my life, so I'll bring it up just because it's happening.

I had a car insurance. My car insurance went up because my daughter became, uh, she got her license and she needs a car to drive to school. And so, um, I bought a, I bought a, uh, a. Salvage title, but it was rebuilt. It was a rebuilt title. And I was under the assumption in my, from my research, if you have a rebuilt title, insurance companies will usually, they'll cover that.

Well they do, but at a much higher, like astronomically higher cost for comprehensive. Right. So we just ended up getting liability, but, um, and we're just gonna hold our breath. But, uh, I went to, so I found my own car insurance. Uh, and it's, it, it's a good plan. It's actually, it's actually through Costco, but, um, my financial planner said, why don't you talk to a broker and see if you can get something cheaper?

Well, they couldn't, and my experience with brokers hasn't been the best. They, they found me something that was like, probably five times what I'm paying right now. And I just, and so it was like, well, how come that broker wasn't able to find what I was able to find on my own? Um. Through American. It's American Family Life Insurance Connect through Costco.

It's like a Costco thing. And I don't know why I don't, I don't know why that is, but Do you have any thoughts about that? I mean, I'm

Leah: just, well, so brokers are going to be working with certain companies. They're not gonna be working with every company. Um, and so, you know, I think good brokers try to make sure that they have the best companies, but then they may also have some other options for people who might have, you know, a history of like, in that case of car insurance, you know, like tickets and things like that, that just makes it harder for people that are like accidents that may it harder for people to get insurance.

So they may have a couple that have some more flexibility. I have a, a gentleman that I work with on, um, property and casualty specifically, so, you know, primarily car insurance. But what I love about him is he runs my quote for me every two years and he's never been able to find me anything better than what I have.

And so he tells me, this is what I have. What you have is great. Leave it alone. And so it's nice to have that double check. So I know that I'm not like spending a ridiculous amount of money that I don't need to be spending, but it's also nice to know that like, hey, if he comes up with something then you know, I can certainly consider it.

But I think it's also good, Natalie, to, one of the things that I love about being a fee only financial planner is we don't sell insurance products, right? So if I'm recommending insurance to somebody, I'm going to send them to somebody else to talk to the about the specifics. But when they get their quotes, then they come back to me.

I do a review. Sounds like similar to the relationship you have with your financial planner. And then I can say like, you know what, you don't really mean that much insurance, or, this is a really good fit. This is a great rate. I'm not sure why this rate is so high, but we're looking at enough across the board that we have, you know, some really good data to really look and see like, yeah, this feels really good.

I think over time you develop relationships with brokers who are fabulous. I know a couple of health insurance brokers specifically who I rely on very heavily. Um, but I, I think it's like anything else, right? They're salesperson and so, you know, there's, there's good ones and then there's some that are, are not so good.

Natalie: Yeah. Yeah. Yes. I do love that, that I can go back to my financial planner and say, is this the, they, he has gone through my, all of my insurance policies and said, you know, you really need to up this part and Yes, uh, like stack even, like, I didn't even know that you could stack your car insurance. If you have two cars, you can stack it to make it even better for a very, very low cost.

So just maximizing the amount of insurance that you have for the least amount of money is really important. Yeah, and he was able to say too, when I ran him the numbers of my, for this car situation that I've got going, he's like, well, you know, in two years you would have paid the amount of, of what you paid for the car just for insurance, right?

So it's really not worth it. So think of it as, you know, your insuring your own car now at this point, and. If you have an accident, you're just gonna have to either, you know, yeah. We'll cross that bridge when we get there, but it's just not worth it to pay that kind of insurance for a, a used car. So anyway.

Um, let's talk about, uh, life insurance then. Well, actually, no, let's bring up the kids though, with the health insurance. Um, what are some scenarios that you've seen for, for kids when a divorce takes place, what do you typically see?

Leah: Yeah, so kids, just like adults, it's really important to understand their healthcare needs, right?

You may be, maybe the kids are on, you know, your ex spouse's policy and that is the best option for them. Maybe the insurance that you're looking at, you wanna take a look and see, you know, what kind of, um. Insurance is available to, for the, for their coverage, maybe they're not getting the best coverage.

Right. I like to compare every year. A lot of people have it in their actual, you know, child support order. X person is going to be the one who is responsible for the health insurance. That's part of the child support calculation in a lot of states. And so, you know, sometimes you don't have the flexibility to make that comparison.

But the fact of the matter is, our needs change over time. Health insurance changed. I mean, if I just look at how health insurance has changed in my lifetime, my goodness gracious. Right? Yeah. And so really if you can take the time each year to figure out what's gonna be the best option for your family, that's the ideal situation.

Natalie: Yeah. Yeah. Alright. Let's talk about life insurance. Um, some people have it already, some people don't. How do they, uh, how do they figure that out? What, what are some things that you see people, you know, asking questions about or needing to change as far as their life insurance policy? I mean, I can share my personal experience, but I'm curious to know what, what you're seeing in your bi in your work.

Leah: Yeah. I think it's really important to think about if you were to pass away, what are you trying to protect, right? So if somebody is relying on your income, income and you pass away, like what level of support do you wanna provide to them, right? And so, if you think about it, I, I usually see the biggest need is gonna be from young families, right?

When you have young children, um, there's just a lot of years of caring for those kids before they go off on their own. And so reliance on your income is likely just going to be higher. Vast majority of time when we're recommending new insurance policies for people, it tends to be for folks who are younger, a lot of times over people's lives, they can self-insure, right?

I mean, that, that is a possibility to grow your assets and be in a place where you might not necessarily, or maybe, you know, you've paid everything off and it's not as big a concern, right? Um, now with that being said, there are a lot of

negotiations that happen around life insurance policies through the divorce process.

Depending on the specific kind of life insurance policy that you have, you might have negotiated a change in ownership of that policy. So an owner on a policy can be changed. When is that most common? Let's say you are relying on your spouse for spousal support, child support. They have a life insurance policy that is protecting their life and keeping you on as the beneficiary.

You wanna make sure that policy stays enforced and that gets paid. Sometimes people will take over ownership of that policy in order to protect themselves. Now, it may be in your agreement that that person is responsible for paying the policy that you're not taking ownership. Oic, you do want to, every so often, maybe once a year, have proof that the policy is still enforced.

God forbid something happens, you know, and then you're in a situation where that policy is not enforced. There's nothing you can do about it at that point, right? Yeah. Yeah. Um. So that is very common. A lot of times people look at getting new insurance policies for that reason during the divorce process.

Now this, sometimes it's possible, sometimes it's not. The reality is life insurance is to some extent, going to be based on, you know, the status of your health, right? The, the insurance company is looking at what is the risk, right? What is the risk that we're gonna have to pay out on this policy? So the more health issues you have, the, the higher the risk, the higher the cost, right?

Mm-hmm. You're always gonna be looking at, especially when it comes to insurance, that cost benefit, just what you were talking about before, Natalie, of like, is it really worth it to pay that much for that particular car or not, right? Yeah. When it comes to health issues around life insurance, life insurance can become very, very expensive, very quickly.

Um, if there is some real risk to the insurance company, right? And so sometimes it makes sense, sometimes we try to get a little bit creative in, in other ways of protecting that income, um, if necessary. But generally speaking, the way we think about life insurance is how, what do we wanna protect if we were to pass away?

Natalie: Yeah. Yeah, I have, um, I was able to get life insurance many years ago when I was younger and healthier, and it's just a set amount each year. Once a year. It's not very much. And it will, and as my kids have gotten older and, you

know, and gone on with life, they've graduated from college, moving on. Um, I still, I had nine kids though, so I still have some kids at home.

It becomes less necessary, but it's, as long as it's still there and as long as the, the price just stays the same, eventually it will phase out. But, um, I, I think of it as, okay, if I pass away, this is gonna be, this is going to help these younger kids get through college also. Exactly what it's kind of their way to, it's my way of saying, here's some money to go to college and get yourself launched.

Um, and then, and

Leah: commonly if like maybe you share a home with somebody, it might be, you know, a new partner. It may be your children, it might be adult children, it may be, you know, a roommate, whomever you, you share with, right. If you want that person to be able to stay in the home and there's a mortgage on that home, a lot of times one of the ways that we protect that is by having a life insurance policy that would then pay that mortgage off.

So whoever's living in the house would still be able to remain there.

Natalie: Yes, exactly. Alright, we kind of touched on auto insurance. This is sort of, I think people pretty much know, you know, if you, if there's two cars in your household when, when you get divorced and one gets one car and one gets the other, obviously you're gonna have to change car insurance.

If you had those two cars on the same insurance plan. Do you see any problems or any complications or things that people might be wanna be aware of during this? A lot

Leah: of times I get questions about this when people are working through the divorce process, I don't know that there's a right or wrong time to make this particular change.

I mean, sometimes people like to kind of separate out the finances before the divorce is actually final. It is critical to make sure that you have coverage. And I have unfortunately seen people who have taken somebody off of their coverage and that person did not get their own coverage. And then something like, what happened to you, Natalie?

Happens. And suddenly again, it's, it's a financial crisis. And so it is just really, I know it's one of those things that nobody feels like dealing with, but it's so important to just make sure that your coverage is continued. If you have a

spouse that's playing games through the divorce process, it's really important that you make sure that you're, you're keeping that coverage in place.

Natalie: Yes. You, so if you're listening and be writing down each of, if, if any of these things are raising any questions in your mind, like, oh, I don't know. Yeah. If you're saying, I don't know, to any of these insurance types of insurance we're talking about, you wanna know. So go figure, go figure out where your insurance, where your insured or where you're not insured, so you can take care of that before something happens.

Um, and then, so let's talk about homeowners or renter's insurance. Um, who should be listed on the policy if you co-own? Like I, right now I am actually co, I actually co-own a home with my ex. Okay. And, um, and we have an arrangement. It's kind of an unusual arrangement, but it's something that we, and we set it up legally with an attorney and everything, so it's all, everything is all good, but it's just kind of an interesting situation.

But, um, the, our insurance is coming out through the mortgage and then that's how we're paying for that. But what, what happens, you know, with a home and all of that, with, with insurance,

Leah: yeah. It is very common if you have a mortgage on the house that it is paid through escrow. That, that's pretty typical.

Um, I. I see the, the miss is often the renter's insurance. It, it's very, very inexpensive. Renter's insurance is very inexpensive. Yes, the likelihood of something actually happening when you're renting is low. That's why the insurance is inexpensive. However, I have absolutely through my career, seen people lose everything when they're renting.

It like literally could have been protected in some cases for like 20 bucks a month. Um, and so making sure that you have that renter's insurance in place, there's a lot of places that require it. When you sign your lease, they require, and I still, people, you know, sign the lease and then they don't get the renter's insurance.

So, you know, I, I usually think the easiest thing is just to call whoever provides your car insurance. Um, again, it's something that's pretty inexpensive, but you do wanna make sure you understand what it covers too. So if you have any like significant valuables, um, that you have in your rental, you may wanna have additional coverage for those you know, that might not be sufficient.

Make sure you understand that policy. The homeowner's insurance, you know, most people we do, we don't really see issues because it, it tends to be dealt with when the mortgage is dealt with. Um, but with that being said, there are lots of people who have their homes paid off. Um, and just like anything else, you, you have to have, to have, to have, to have, have your home protected and everything in it, right?

Um, and so I, I, again, I like the brokers. Usually when you bundle your home in auto, uh, with, with an insurance company, the vast majority of the times you're going to save money doing that. Um, but not always. Uh, there may be reasons why not, you know, depending on where you live. Now, I do know that there are areas of the country where it's becoming harder and harder to get good homeowners insurance, um, or those policies that are very, very limiting in terms of the kinds of coverage.

So, again, critical, critical that you understand if your basement floods, is that covered or not? And if not, is there coverage available in order to protect that? Right? Yeah. Um, if there's a hurricane, if there's, you know, um, fires or what have you. I mean, we've seen so much in the last several years. Just completely decimating families.

And so making sure you understand the coverage is so critical here again.

Natalie: Yeah. Okay. So I had all of my different insurance thing. You know, we had gone through the list and over the last few years, but then last year my financial planner said, let's talk about umbrella insurance. That was something that I didn't have yet.

So why don't you tell us what umbrella insurance is? Um, actually he brought up umbrella insurance and disability insurance. So we've had discussions about this. I got one and I didn't get the other, but tell us about Umbrella Insurance.

Leah: Yeah, umbrella insurance can be really important. Like, let's say you get sued and you wanna protect, you know, your other assets.

Like essentially that insurance is protecting you at a higher level than just your car or just your homeowner's policy, right? Those, I mean, you really want to, and I think this is where a financial planner can really help you understand how much insurance do you really need? Like, let's look at your overall net worth and where the risk is.

An umbrella policy, again, similar to renters, is a relatively inexpensive policy. It typically doesn't add that much cost to have the protection, but you wanna know how much protection you need, and that really, you know, typically we're looking at, okay, what is at risk? If there was a situation, you know, what a lawsuit could look like, how do we protect that?

Um, you know, I, I've seen over the years some people who. Really, really benefited from these policies. That definitely made me a believer, I think when I first heard about them when I was younger, I was kind of like, didn't quite get it. But sometimes when you see the lawsuits happen and you see the way that these people are protected, then it's like, oh, okay.

Yeah. You know? Yeah. Um, and so it, it really can be critical to, to, again, your financial security going forward. And again, for not very much money, for a lot of insurance, like a million dollar pilots, I mean, in different areas of the country. I don't wanna say numbers, but like, it, it's not a lot of money.

Natalie: Yeah. Yeah. To me, it, it seemed like a no brainer. And also, I, here's an example. Like it just with my car accident, I ended up me, so it, I was hit by a teenager and she was just out of the blue. I had no time to react. She just hit me. She was when in the wrong and, um. And of course when you, even with car insurance, it didn't, I, I was in a car that was just a year and a half old.

It was my, it was a dream car for me. I loved that car. And, um, and it was totaled and I didn't, the money that I got back was not enough for me to replace it. So I had to buy a lesser car. I couldn't, I could not afford to replace that car, so I bought a lesser car. Then also all of the, the physical therapy and the surgery and just my being, um, unable to use my right arm for many months.

And even now it's still, it's not the same. Yeah. Um, I ended up hiring an attorney and we got a settlement and I, and it wasn't, it wasn't that much, but it was something to kind of cover the rest. Now I had already bought a second car, so, or you know, I had already replaced my car. So, but I could've, if I would've known that, I would've gotten that settlement.

I might've been able to just buy the car that I had before. But, um. My point is, is that that family they, that was a, that was a suit. Yeah. They, if, I don't know if they had umbrella insurance or not. I don't know if actually their car, well, I don't know. Maybe their car insurance would've covered that. But if that happened, if you did something worse, you know, if your teenager or you ended up doing something that crippled someone for life in a car accident that just happens in a flash, somebody gets hurt on your property.

Yes, exactly. Yeah. And then they sue you as they probably rightfully should. Mm-hmm. For, for that. Um, now we're talking about your insurance. All of your regular insurance is not gonna cover all of that, all of that money. Right. But that's where you'd want for a, just a little bit of extra money, a, a year that, that's where that umbrella insurance comes in and can pay off in the end.

Okay. I really wanna talk though, too about, 'cause I was thinking about, as we were talking, I'm thinking about. Travel insurance and how I've always thought, oh, you know, they're just, in my mind, this is what comes to my mind. Oh, they're just trying to take my money. They just wanna get more money. They just want more for their ticket or whatever.

And I am real. And I've realized that is not what's happening here. I mean, yes, I'm sure maybe there's insurance companies that are gouging. I don't know. But what's hap tell us how you would um, I guess we touched on it at the beginning, but I think we can reiterate it a little bit again. How should we be thinking about insurance every time it comes up where we have a chance to ensure ourselves, to ensure our trip, to ensure I was talking to, um, I'm, I'm gonna be going to Italy this next, I'm turning 60 next year, so, and I've always wanted to go to Italy, so

Leah: you look amazing, Natalie.

Good for you.

Natalie: So I, um, I'm going to Italy with a couple of friends of mine and the person that is coordinating the trip. She, uh, she told us that we are required to have traveler's insurance and, and then when I read about all the different things that can go wrong when you are in another country and what that insurance covers, I was like, wow, this seems like a no-brainer.

I can see why this, this company expects us to get travel insurance because, yeah. So anyway, let's talk about that, just mindset around insurance.

Leah: There's different kinds again, and it, it always comes back to, and I think, I think that the insurance industry as a whole has done a bit of a disservice in a lot of their advertising.

They're, they're trying to scare people into getting insurance, right? The fact of the matter is if we really understand, again, that cost benefit analysis, right? Where is my risk? How do I protect that risk? Right? But really understanding

what is the value of the risk and what am I protecting, I think is really, really critical.

Right? So that's where I think sometimes we see the insurance industry preying on people's concerns. Um, and that's where they end up with over-insured or, you know, paying too much for insurance and that kind of a thing. So when you're looking at, you know, let's just say, you know, I just bought tickets.

I'm taking, I'm taking my boys to, uh, Orlando, we're gonna go to Universal Studios in December. We're very excited. Oh my gosh. Uh, oh my

Natalie: gosh. It's so much fun. It is so much fun. Yes. You're, you guys are gonna absolutely have a blast.

Leah: We're really excited. But, so I go and I'm buying the, the plane tickets and like, it pops up with, you know, do you wanna insure these tickets right now?

There was a time in my life where I never would've done that. Yeah. Um, but. This is what opened my eyes. My mom, when she was alive, this was, uh, before COVID, but like right when things were coming out about COVID, um, it was a big birthday year. Must have been her 70th birthday year. Um, and she was planning a trip for my family and for my brother's family.

And we were all gonna do this cruise together. And then COVID and everything shut down. And the world, you know, there were no cruises happening. There was no, you know, it, everything shut down and she got every single penny back because of the insurance that she had paid for. And she would've been out a tremendous amount of money if she had not protected herself in that way.

Wow. Thank God that she did. Right. But, you know, am I worried about a \$500 plane ticket? Maybe, maybe not. Right? Like that kind of depends on my financial situation and, and how much I'm concerned about that. You know, that's where you really wanna understand what is the risk. You know, if I'm sick and I'm gonna lose out on this.

That said, when it comes to actually like traveling and needing, maybe you need to see a doctor. Maybe you're in another country and you need to see a doctor. Yeah. Or you know, other things that come up when you, when you're traveling. Those are other things like, you know, we're talking about things in some cases that can have a lifelong financial impact, and that's one of those things, right?

Yes. It can even happen, keep in mind when you're traveling within the us so make sure you understand. Your insurance and what your insurance coverage looks like in other states if you're somebody who travels in other states. Right. Um, and so again, it's what is the size of the risk and do I need to protect this?

Or, or is it something that I can cover on my own? You know, we talk to people about long-term care insurance all the time and lots of people are like, no, I'm absolutely covering that on my own. Like that's, I'm not gonna pay for that kind of coverage. That's something that I want to just self-insure.

Great, fine. But then you have to have the resources to do that, right? Or you're gonna end up in a tough situation. Um, and so that's where, you know, I think especially, especially when you're traveling internationally, making sure that you have comprehensive protection in place is really important.

Natalie: Yeah.

Yeah. Okay, before we move on to estate planning, let's talk about, um, disability insurance. Why would someone wanna get disability insurance?

Leah: So disability insurance and Natalie, I'm gonna push you on this one. It's so expensive. It's so expensive. You are absolutely right. I always encourage people to first start with their, especially people who are self-employed, start with their professional associations, see if they can get into a group policy.

If your employer offers disability insurance, it is quite possible. That is a very reasonable cost 'cause you're in a group situation and that's being quoted that way. When you're getting it on your own, it does tend to be cost prohibitive for a lot of people. However, with that being said, I've worked with clients who had disability insurance became disabled, and were able to still comfortably live their life and reach their financial goals.

And I've worked with people who did not have disability insurance and became disabled and lived a very, very different life. And again, it comes down to, you know, especially as people get later in their career, they're closer to retirement. They may have saved the assets, their income may not be as important or necessary for them to hit their goals.

It's not going to be as big a risk for you. Right. But if you're earlier in your career, you have all those years of saving, saving for retirement, growing your income, it just, the younger you are, the less assets you have, the more

important disability insurance is. And that's ironic, right? Or I don't know if you, ironic is the right word, but that's exactly when you feel like you can't afford it.

Um, but you never know. You never know if you're gonna get in that car accident. You never know if some major health issue's gonna happen that's going to, um, you know, make it so you cannot work. At a minimum, I think if you're in your childbearing years, you want short-term disability insurance. So that way, you know, a lot of employers aren't providing any kind of maternity leave at all that's gonna be able to protect and provide, you know, some kind of income for you, you know, when you're on maternity leave.

So I think disability insurance is really important to understand where that fits into your overall financial picture, what the risk is, and that cost benefit analysis. But I can just tell you from working with clients on both sides of that coin over the years, it is a night and day difference.

Natalie: Mm. Wow.

Well, I'll talk after this, uh, episode is over, I'll ask you a couple of questions about that related to my situation. Um, okay. Let's get into estate planning. Um, again, we kind of touched on this, it can stir up some grief and, uh, fear and uncertainty because of what it means. We're talking about our death.

How do you app appro, help women approach these decisions with clarity instead of like a ton of anxiety?

Leah: Yeah. This is so important if you care about your family, and I know Natalie, that your listeners care about their family. Yeah, I know that. If you care about your family, you don't wanna leave them a mess.

You just don't. And if you look around at this point, you know, with the baby boomers aging, we're seeing, you know, more and more people passing away each, more and more families dealing with people who did not handle their estate planning. And oh my goodness. I mean, we work with clients all the time who inherit funds from a family member who did, didn't do their estate planning well.

And it's, it's a lot of paperwork, but the thing that really breaks my heart is it can create a lot of fighting in families, a lot of stress and tension if things were not clearly defined before you passed or even before you became incapacitated. And that's the worst, right? When somebody's sitting there in the hospital and the family is fighting about how to handle everything, it's just not necessary.

It's not necessary. You can take the time to document your wishes, you can take the time to communicate those wishes to your family and then. You don't have to worry about all of that. Like fighting and just the unnecessary tension that comes up. People are going to be stressed and grieving regardless.

Right? Yeah. They've lost the loved one. Somebody they care about that piece of it. The administrative piece of it doesn't have to be so difficult.

Natalie: Yeah. Okay. Let's talk about wills and trust and the difference between those two things.

Leah: Yeah. So they're very different legal documents, right? A trust is going to be like, um, a document that is going to, well, honestly, you can kind of, there's all different kinds of trusts and you can really choose what you put into the trust, whereas a will gives you less flexibility and control after your passing, right?

So I think the most common thing that people tend to think about it is like. Uh, kids who inherit money and kind of having control over those funds and making sure that like, you know, an 18-year-old kid isn't going to inherit, you know, a million dollars and, and blow through, right? I think that's kind of what commonly people think about, but it's so much more than that.

I mean, certainly we work with lots of families that have children with special needs, making sure those folks are gonna be taken care of well as they age, you know, that is part of that documentation is going to live in a trust of that, that legal document, a will, is gonna be much, much simpler. Um, and anything that passes through a will is still gonna have to go through probate.

Where as a trust can avoid probate completely. 'cause you can actually title things into the trust and then that way, you know, things can pass without having to deal with probate. Now why is everybody so focused on avoiding probate? Probate is expensive. Um, they're taking a percentage of the estate.

You're probably paying an attorney to help you work through that process. Takes a very long time and it makes all of your information public. Um, right? So any kind of documentation that gets filed with the court like that is gonna become public information. We've seen it from some really famous people over the years who didn't do appropriate estate planning and all of their financial information, everything that people are inheriting, it's all public information that just is inviting that predatory, you know, behavior when you have all your financial information public like that.

So we like to keep things as private and confidential as possible, keeping 'em out of probate. Now that said, a lot of people have the kinds of assets that you can title and create a beneficiary designation in such a way that they can avoid probate. If that's all you have is those kind of assets, there's probably no need for a trust.

You know, it just depends on your situation. So I'm not a fan of the, um, you know, estate planning attorneys that are selling trust to everybody. It's just not necessary for everybody. But there are definitely cases in when, when it is necessary, the most common ones coming out of a divorce situation tend to be when there are young children involved who could potentially inherit money.

Usually most people don't want their ex-spouse to be the one that becomes responsible for handling that money, right? Yeah. Well, very common for the court to award that, you know, the person who's guardian of those kids, then to become guardian of the money as well, right? If you have that all documented in, in a trust, you can assign somebody else to be responsible for those funds, just gives you more control over how that all happens.

It's all documented, it's all in control and, um, and all of that. So, you know, I'm not suggesting that again, everybody doesn't need one. Sometimes a will is absolutely sufficient, but there definitely are times when we wanna make sure to protect things in a way that you know is meaningful to us, and that can be done in a trust.

Natalie: Yep. Yep. And that is what I, that is what my financial planner helped me to set up with an attorney and, um, so I know exactly what's going to happen to my money and where it's, and when each of my kids is going to get it and how old they're gonna be. And, um, and my ex will have no, my ex will have no access to that at all because it's in a trust.

Leah: Natalie, you said something so critical before that. I just wanna highlight for people because I know, again, not something people love dealing with, don't love dealing with attorneys, don't love dealing with talking about estate planning. But you mentioned that you've updated your plan over the years.

Yeah. And as life changes, it is imperative that you update these documents. And even you may find that there are laws that change in your state that require an update to your documents. So we encourage people to check in with their attorney at least every five years to make sure that everything is still in good shape.

But if there has been any major life change, birth, death, you know, all of that, you wanna make sure to meet with them in the interim and get those documents updated. Yep.

Natalie: And yeah, it's, you know, it costs money to go back to the attorney and do all of it. I've done it. I've done it the first time and then I've done it twice since then.

But to me, I feel like this is, again, it's an investment. It's like an investment in my kids' future and to make things easiest for them. Can you, let's back up just a minute because I don't know if everyone knows what the word probate means. What, describe a situation in which someone dies and now their estate goes into probate.

What is, what does that mean?

Leah: So my mom, I'll use her as an example, did an amazing job with her estate planning. Thank boldly.

Natalie: Yeah. Did a

Leah: great job with her end of life planning. The one asset, the one asset that she did not have a TOD beneficiary on and she did not have in her trust was her car. And so that was the one thing that I had to open up a case with probate in order to deal with the transfer of the title of the car.

So even in a will, let's say that, that her will said the car was left to me, that's not what it said, but let's just use that as an example. That doesn't mean I get to just take that and go to the DMV and have that transferred over. It actually has to be filed with the court. The court has to issue a document that allows that title to be changed.

So essentially the probate court is, um, determining in a lot of cases who is getting, like, if, if something wasn't clearly defined, who's gonna be the recipient of those assets? Who's gonna be the guardian of that, that individual, you know, that's the probate court's responsibility is figuring those things out.

If you have everything legally documented in such a way that you don't need the court to get involved, then you can just bypass that completely.

Natalie: Okay. So how would, so what should she have done then, if to have, in order to avoid that with her car, for example? Yeah.

Leah: In the state of Ohio, she could have had a TOD beneficiary designation.

So she could have actually had a, a document filed where there was a beneficiary on the vehicle, and then it would transfer just like a bank account if you have a POD, uh. Beneficiary, then it could be transferred. Uh, the other alternative was she could have titled it in the name of the trust and then the trust would have dictated what happened with the vehicle.

Natalie: Okay. Okay. So let's, let's segue into beneficiaries then. Let's talk about that. Um, because you, you wanna have designated beneficiaries on your life insurance, uh, all of your retirement accounts, any bank accounts, um. What if you don't, I guess we're gonna get back

Leah: into probate, right? We are getting back into probate.

That's right. That bank account, that court is gonna decide what, how that account gets handled. They're gonna take a percentage. You're probably gonna be paying an attorney to walk through the probate process. Um, and so there's a lot of, lot of costs and expense. And so I was gonna say, before you mentioned Natalie paying the attorney a couple of times, I bet you paid a fraction.

Yeah. That would have been lost to probate if you did not get those things taken care of. And a lot of times people don't really think about that or they think about, well, I'm gonna be gone. So that's their problem. Right. But I think it really does come back to, again, how easy do you wanna make this on the people who love you, right?

Um, and so that's where having these these documents in place is so valuable.

Natalie: Yeah.

Leah: But as far as, as beneficiaries go, there's a lot that you can put beneficiaries on. You know, certainly all of your bank accounts, any of your investment accounts you can have your, your, you mentioned the life insurances while, uh, 5 29 accounts is a, a different term.

Um, so there is an owner on a a 5 29 account. The beneficiary is like the person you're saving the money for, but it's a successor owner who becomes the one that becomes responsible for that account. So you would wanna have a successor owner on a 5 29 account. Um, you know, even now states do vary a little bit on, on some of the things like having, um, a transfer on death on a house and a vehicle and things like that.

So you wanna check with your state around that, but if it's an option, take advantage.

Natalie: Yeah. Yeah. So basically. If you're listening, anything, any asset that you have, you wanna just check and make sure that you have a beneficiary designated for that asset when you die. And it could just be your trust. Like I've made it really simple and most of my assets are just, they just go to the trust.

And then my trust, trust. I

Leah: just wanna be careful with the retirement accounts. 'cause the trust has to be written in a certain way in order not to have a huge tax liability associated with that. So that's the one area where we review with every client to make sure if they're putting a trust as a retirement account beneficiary, that that's not gonna create a big tax burden.

Natalie: Yes, yes. And that's, that's a good example of like, don't do this online. Yeah. Just don't do that. Yeah. Um, okay, so what about, uh. I just wanna add

Leah: something really quick, sorry. On Natalie, on the beneficiaries. If you're recently divorced, it is absolutely critical that you go through and update all your beneficiaries because your former spouse is probably listed as a beneficiary and that's probably not the person that you want listed.

Now, sometimes if that is the person, maybe you have some kind of an agreement in your divorce settlement, and you do need that person listed. You need to rename them because there can be some confusion around if there was a divorce. It again, depends on state laws, um, but it's important to, to rename them as a beneficiary if you're keeping them on, if you want your kids to be the beneficiary of accounts.

Keep in mind, like the retirement account example, if I listed my minor children as the beneficiaries. The court's gonna then decide who's actually responsible for that money because my kids can't actually, you know, minor children can't be responsible for that money and it's probably gonna be my ex-husband if that's how I have that set up.

And so again, that comes back to making sure that you understand exactly what, what these designations mean. And you know, if that's okay with you, that's fine, but if it's not okay with you, then you wanna make sure that you have something set up to protect them.

Natalie: Yeah, and that's also gonna be important with what we're talking about next, which is powers of attorney and healthcare directives.

Because if you did already have something like that set up with your in, in your marriage, it probably was your husband, possibly. And now if you don't change that, now he gets to decide what to do with you when you're on life support or when you have had a bad accident or you're in the hospital and you need care and you probably don't want him to be the one to decide that we've seen it happen.

You're absolutely right. We have seen it happen. Oh my gosh. So, um, so let's talk about that a little bit, uh, because again, it's so, it's crazy. I know if you, especially if you just got divorced and you're probably like, oh my gosh, I can't believe I got through that. And now you're telling me that I have to take care of all of this stuff too.

This is part of it. This is the whole ball of wax. This is the nightmare that we call divorce. And you have to walk through it so you can get to the other side. But this is one of those things that's really important to make sure that you update. So how do they go about updating that or even getting one in the first place?

'cause a lot of people, like I didn't even have this setup when I got divorced.

Leah: Um, so this is one instance, Natalie, where sometimes I do let clients go online and do the forms online. Okay. So the, um, depending on the state, you know, there, there are some differences. But generally speaking, your power of attorney, you know, whether it's a living will, healthcare, power of attorney, what have you.

These are documents where something could happen to you tomorrow. I mean, honestly, like you want to take care of these immediately because this is taking care of you like, like you as a living being, making sure that you're taking care of, and a lot of people, what I find Natalie and, and many of you may be in this situation where you're like, I have no idea who to ask.

Like that was always my spouse. Now I'm coming out of this marriage. A lot has changed in my family relationships as a result of this divorce. I just don't know who to ask. I would just encourage you to take some time and really sit with yourself and reflect on, you know, who, who do you trust in your life?

And if you don't have somebody, maybe start to develop that relationship because this is really important. Making sure that like, this is true self-care. You know, like not getting your nails done, but this is like, you know, you in the hospital and you wanna make sure that somebody's able to pay the bills and able to, to make the healthcare decisions if they need to be made.

Natalie: Yeah. Yeah. Super important. Um, okay, I think we're, we're gonna wrap this up, but I do wanna touch on just one final thing because there are some women who are divorced, who, I am not one of them, but there are some women who are divorced who are like, I really would like to get married again someday. Yeah.

And, um, but when I do, I think I might want to do a prenup. Some people like prenups are, you know, there's lots of different ideas about that. Um, but I have found like, I'm divorced twice now. And I didn't have a prenup in either of my prior marriages, but if I ever did get married, I would absolutely, I would never do it without a prenup.

I would just would never do it. It protects, it protects everybody involved. So how would I go about doing that? Let's say that I wanted to do that. How would I go about doing that?

Leah: So when it comes to a prenuptial agreement in a second marriage, I look at it very, very differently than a prenuptial agreement in a first marriage.

Okay? A lot of times going into a second marriage, you may have already had children, you may have already grown assets. There's a lot of stuff that may have happened in your life. For most people, it's just later in life that a second marriage happens, and a lot has happened. Um, you know, that's not across the board, but prenuptial agreement is really part of your estate plan.

It really is part of making sure that your assets and your, you know, your kids are taken care of in a way that you want them taken care of, right? The default is going to be when you get married, your assets become joint, right? Yes. It just like when you were married before these, you know, unless you have things documented otherwise.

And so there are plenty of examples that we've seen where people got married. Again, we know from working with people that the intention of that person was for their children to receive at least a portion of the assets, but the person passed away. So the new spouse automatically receive those assets and then the new

spouse, uh, leaves those assets to their own children instead of maybe the person's children who earn the assets to begin with.

And so that's where, you know, when we think about a prenuptial agreement, a lot of times people think about it in terms of preparing for the next divorce. That's not what it is. Prenuptial agreement is making sure that we all are very clear on the contract that we're entering into, that we are documenting and detailing what matters to us.

Right. I teach in the, um, I have a community called the Empowered Sisterhood, and we teach the Intentional Money Method in that program and the Intentional Money Method. What's different about that from traditional financial planning is we really focus on two things, and that's values and mindset, right?

This comes down to what do you value. It doesn't come down to I'm preparing for a future divorce. This comes down to what really matters to me and what really matters to my partner, and we're entering into this marriage eyes wide open and we know that like if we have an existing family and we wanna take care of them, we've documented it in such a way that we know that our wishes are gonna be carried out.

Natalie: That's beautiful. I've never heard it put quite that way, but that is, that is beautiful. I love that. Alright, let's, I, I love that you mentioned the Empowered Sisterhood. The intentional money methods at the very end here. 'cause I'm sure there are people that are listening that are like, how, how can I contact Leah?

Or how can I, maybe people wanna work with you, maybe they wanna find out more about your work and how you can help them. So what would you recommend for, for those people?

Leah: Yeah, so we do tons of free education. I mean, like, follow me on Instagram at Watch Her Thrive. We are promoting free classes all the time.

Um, last one we just did was all about getting unstuck financially for those of you women who feel like you just can't get ahead. Um, but a big focus in the sisterhood recently has been around legacy planning. It's just something that a lot of our sisterhood members are talking about. They're, they're, uh, we have lots of resources.

So online we have a whole vault of resources like checklists and webinars and things to think about as you're thinking about your estate planning. But that's

great to have all that education. And Natalie, you mentioned before, like looking stuff online. That's great. Like having a conversation with people who are thinking about these things.

People who are making their own decisions. People who may hear something and be like, oh, but did you think about that? It just takes the whole conversation to a new level. And that's what I really enjoy about the sisterhood is that, you know, it's, it's crazy cheap. It's \$59 a month. I mean, for what you get, it's unbelievably, um, great value, but it's just, it's having those connections and having those conversations with people who are going through what you're going through.

Natalie: Amazing. I will make sure to put all of those links in the show notes, so if you're listening and you want direct links, we will, those will be in the show notes. Thank you so much Leah, for giving us some of your time and sharing your expertise with us. This was a great conversation, lots to think about, but I think you really made it, I think you broke it down for us so that we can make it, we can, we can do this absolutely.

Ly too. Absolutely. Alright. Thanks so much.