

Estate Planning vs. Legacy Planning

INDIVIDUAL PLANNING

Estate planning and legacy planning are often used interchangeably, but they serve different purposes in a client's overall financial strategy. Estate planning focuses on protecting, organizing, and transferring assets, while legacy planning focuses on impact, meaning, and the values clients want to pass on. Together, they create a complete picture of what your clients may want their wealth to accomplish.

WHAT ESTATE PLANNING ADDRESSES

Estate planning ensures that your client's assets are distributed efficiently and according to their wishes. It emphasizes structure, tax efficiency, and liquidity.

Common Estate Planning Applications

- **Liquidity for estate taxes** to help high-net-worth families avoid forced asset sales
- **Equalizing inheritances**, such as using life insurance to balance a business transfer to one child
- **Funding trusts**, including ILITs (Irrevocable Life Insurance Trusts)
- **Covering debts or final expenses** to preserve the estate's value for beneficiaries

Estate planning answers the question: **"How will my assets be protected and transferred?"**

WHAT LEGACY PLANNING ADDRESSES

Legacy planning focuses on the emotional, philanthropic, and generational impact clients want to leave behind. It reflects their values, beliefs, and long-term intentions.

Common Legacy Planning Applications

- **Creating a charitable legacy** by naming nonprofits as beneficiaries
- **Funding generational wealth** through policies for children or grandchildren
- **Preserving personal stories and intentions** through legacy letters, foundations, or endowments
- **Establishing family values through giving**, including donor-advised funds or charitable remainder trusts

Legacy planning answers the question: **"How do I want to be remembered, and what impact do I want my wealth to have?"**

| ESTATE PLANNING | LEGACY PLANNING |
|--------------------------------------------------|-----------------------------------------------------|
| Protects and transfers assets | Creates long-term impact and meaning |
| Focuses on taxes, liquidity, and legal structure | Focuses on values, philanthropy, and family culture |
| Ensures efficiency and control | Ensures purpose and influence |
| Minimizes burdens on heirs | Maximizes benefit to future generations and causes |

HOW LIFE INSURANCE SUPPORTS BOTH

Life insurance is one of the few tools that can serve both planning goals:

- Provides tax-efficient liquidity for estate needs
- Creates leverage for charitable giving
- Helps build multigenerational wealth
- Supports trust funding and structured planning strategies

Estate planning protects what your clients have built. Legacy planning ensures what they've built continues to matter.

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