

Summary of Asset Protection Strategies

Strategy	Who Is the Beneficiary?	When Are the Assets Protected?	Features of Strategy
Insurance (property, auto, business, etc.)	Client	During Client's Lifetime	First line of defense against liability. In order to be effective, ensure that policy limits are in line with current assets and net worth. Also, confirm that coverage is still adequate.
Tenants by Entirety	Client	During Client's Lifetime	In applicable states, this type of ownership between a married couple protects the property from the creditors of one of the spouses. Depending upon your state law, this may be limited to real property.
Investing in Retirement Accounts	Client	During Client's Lifetime	401(k)s and IRAs (excluding inherited IRAs) are protected from creditors in bankruptcy (with certain limitations). In addition to protecting these assets, you are also growing your retirement fund.
Domestic Asset Protection Trust (DAPT)	Client	During Client's Lifetime	Allows you to fund the trust with your own property, maintain an interest in the trust as a beneficiary, and protect the trust's assets from your creditors. Only allowed in states with DAPT statutes.
Spousal Lifetime Access Trust (SLAT)	Spouse	During Client's Lifetime	A trust established for the benefit of your spouse. Should you be sued, these funds are not available to creditors and can be used by your spouse to support the family.
Lifetime QTIP Trust	Spouse	During Client's Lifetime and At Client's Death	During the less wealthy spouse's lifetime, they will receive all income and possibly the principal. If the less wealthy spouse dies first, assets will be included in their estate, making use of their estate tax exemption. Funds may continue for the benefit of the surviving spouse and distributed to the wealthier spouse's chosen heirs.

Summary of Asset Protection Strategies (cont.)

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Discretionary Trust	Spouse and/or Children	During Client's Lifetime and At Client's Death	Funds are held and invested by a trustee and are only distributed on a discretionary basis according to your stated wishes. Can be a standalone trust but can also be incorporated with other trusts.
Credit Shelter Trust	Spouse	At Client's Death	Spouse is the beneficiary of the trust, but it is not considered a part of his or her estate. If the surviving spouse remarries, the assets cannot be commingled with those of a new spouse.
Irrevocable Life Insurance Trust	Spouse and/or Children	At Client's Death	Holds life insurance proceeds for the intended beneficiaries as opposed to distributing them outright. Can also provide liquidity for owners of illiquid assets (farms, businesses, etc.).
Standalone Retirement Trust (SRT)	Children	At Client's Death	Holds an inherited IRA, or other qualified retirement account, for the benefit of a named individual(s). Protects the inherited account from the beneficiary's creditors because the beneficiary is only entitled to distributions according to the trust terms.
Inheritor's Trust	Children/Grandchildren	At Client's Death	Gives the beneficiary control over the assets while allowing for protection from creditors. Beneficiary will have the power to appoint or remove the trustee and replace the trustee with a different one. The trustee has the authority to make distributions.