

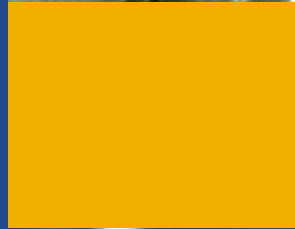
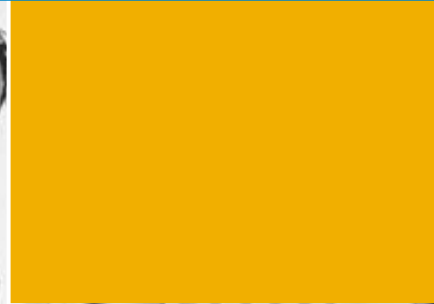
Term Life Insurance

Your life insurance beneficiary...

How to choose who will receive your benefits and why it's important

Remember to review your beneficiary designations every once in a while ...

especially after major life events like births, deaths, weddings, divorces, graduations and retirements ... you can always make changes.



Health ■ Dental ■ Life ■ Disability ■ Long Term Care
www.aetna.com www.intelihealth.com



26.02.301.1 (4/03)



A major life decision...

Now that you have selected life insurance from Aetna, you have an important choice to make – who will receive your life insurance proceeds (the money) if anything should

happen to you. Your beneficiary or beneficiaries (you can name as many as you want) can be any legally competent person – your spouse, children, parents – or an entity (a trust, a charity, a religious organization, etc.).

Life insurance benefits are separate from your estate – assets such as investments, savings or real estate, which are liable for taxes, debt and other expenses that can greatly lower the amount of money your heirs receive. Your estate is governed by your will and is subject to probate (the legal process for validating a will), a process, which can take several months. Because life insurance proceeds go directly to your beneficiary – without going through probate – the money is available for immediate expenses.



How to choose your beneficiary



- **You can name as many beneficiaries as you want**, but it's best to “rank” them by specifying a primary beneficiary and contingency beneficiary(ies), in case your primary beneficiary dies before you.¹
- **Spell out each person's full name, social security number and his or her relationship to you.**
- **Indicate how you want the money divided.** Use percentages (be sure they add up to 100%) or terms such as “evenly divided among,” instead of exact dollar amounts, which may become outdated.²
- **Don't name your estate as a beneficiary**, since that opens up all the probate problems that life insurance is meant to avoid.
- **Try not to name minor children as beneficiaries (under the age of 18 or 21, depending on where you live) because they'll need a court-appointed guardian to manage their money.**
- **You can designate a trust as a beneficiary ...** especially if you want to provide for minor children, a disabled relative, or someone who might be legally incompetent to manage money. A trust is a legal document that transfers money from one person (the grantor) to another person (the trustee) or institution (such as a bank) to be managed for the benefit of a third person (the beneficiary). For life insurance purposes, a living trust (one created during your lifetime) is best. If you decide to name a trust as beneficiary, make sure you have a lawyer draw up a legal trust document.³

¹ You may want to talk to an estate planner, accountant or attorney before you make your decision.

² In “community property” states such as Arizona, California, Idaho, Nevada, New Mexico, Texas and Washington, your spouse may have a legal claim for a portion of your life insurance benefits under state law.

³ If you give someone a power of attorney (the legal right to act for you), make sure it specifies whether your insurance policy is within his or her authority.