

MY HUSBAND IS JUST TOO NICE

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Gaik found out only much later that her marriage to Joe came in a package - et al with Joe's family.

Joe is a very caring son and brother and at a drop of hint, he would readily do anything for his family members, especially forking out money either for his parents or siblings. They were always 'loans' but were more like handouts. Joe, however, did not seem to mind that they were never returned.

As it went on, Gaik could not stand by to see her hubby being taking advantage of by especially his siblings. She stepped in to stop Joe from making further loans and this resulted in husband and wife having regular tiffs.

The family was causing a rift in their relationship and this troubled Gaik. She was walking on a tight rope. Her nagging may have a small effect but what worries her is that what will happen when she's not around? Her hubby is just too nice and generous with his family.

The worrying kind, Gaik has had sleepless nights that her wealth might just end up with Joe's family members instead of her children when she passes on. Her worries are valid. She has a few insurance policies and she has nominated her children as beneficiaries of the insurance proceeds. When she dies, the insurance monies for her minors, will be under the care of her husband, whom Gaik has named in her will as legal guardian.

Her children upon reaching 18 will be entitled to their inheritance but will they at this age, be able to handle such large sum or will they leave it to their father to manage them?

While Gaik's worries are not unfounded, the situation is not all lost. She can actually set up an insurance trust with a reputable licensed trust company and instruct to use the insurance monies for the well-being and education of her children.

Since the monies will be held by the trust company instead of her husband, she will be assured that the monies are not used for anyone else. She can give instructions on the amount, method, frequency and terms of payment. She can also place restrictions on the amount payable until her children reaches a later age when they are deemed to be mature enough to handle their own finances.

Insurance trust is indeed a viable approach to ensure total protection of insurance monies to be utilised according to one's wishes. The advantage of appointing a trust company as trustee instead of an individual is that the trust company is impartial and is duty bound to follow the terms and conditions in the trust agreement called Trust Deed whereas an individual may not be so compliant with regard to other people's money.

Also, there is continuity with a trust company as compared to a natural person since a person is liable to die, fall ill, meet with an accident and be incapacitated, become of unsound mind or go bankrupt. When an individual trustee passes away, his assets are frozen until the necessary legal estate administration processes are completed which means the insurance monies kept in his account are frozen too.

By appointing a trust company, therefore, Gaik can sleep better knowing her children's future are protected.

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