

RIGHTRISK™

How Much Risk is Right for You?

DATES TO REMEMBER

Crop Insurance Sign-Up Deadline (Most Spring Planted Crops)

-March 15, 2015, final planting dates crop specific

NAP Coverage (Spring-planted crops)

- county specific deadlines

Margin Protection Program Dairy (MPP-D)

- 2017 crop year
July 15th-Sept. 30th

Forage Insurance

- September 30th

RI-PRF Coverage

November 15th, 2016 for 2017 crop year coverage

Acreage Reporting:

- November 15th

For more information see:

<http://www.rma.usda.gov>

<http://www.fsa.usda.gov>

RIGHTRISK NEWS

Protecting the People in Agriculture

Risk is an ever present aspect of farming and ranching. One of the five general types of risk – production, market, financial, institutional, and human – often given insufficient attention by farmers and ranchers is human risk. People tend to ignore or otherwise not manage for the human side of the operation. Doing so can represent a threat to a farm or ranch business. Examples of human risks involve employees, owner/operator health, death, divorce, succession and estate planning. In this newsletter, we'll focus on the importance of succession and estate planning and resources available from RightRisk to help manage it.

Farm business survival depends on sound succession and estate planning. Yet, research indicates that a large number of farmers do not identify a successor, have not had discussions with their family members about retirement, and have not identified “what will happen when they are gone.” Only one-third of family businesses successfully transition to the next generation and 70 percent of those do not transition to the following generation.

Many are uncomfortable talking about succession planning, retirement, their estates, and end-of-life issues: their legacy. A legacy is the summation of a lifetime of achievement and the context in which that lifetime will be remembered. A legacy is not just money but a reputation, what was accomplished, and the difference a person makes in the world as he or she passes through. More important, a legacy is something that is passed along years after a person leaves the world as we know it.

The *Lasting Legacy* program from RightRisk is a great place to start when documenting a legacy and developing an estate plan. The program is comprised of four pillars overlaid by family communications:

- Pillar 1 pertains to values and life lessons. A person can document family traditions, the family history, and belief systems.
- Pillar 2 addresses personal possessions of emotional value. This portion of the program helps people discover and measure the sentimental value of their personal assets, what is important when transferring items to others, and ways to accomplish such transfers. This section also examines the concept of fairness (equal versus equitable).
- Pillar 3 covers instructions and wishes to be fulfilled. This section offers the challenge to reflect on, discuss with others, and document myriad end-of-life issues. For example, what medical care is desired, who will care for who at the end, and what type of end of life ceremony is desired.
- Pillar 4 focuses on financial assets and real estate. It is important to have an orderly disposition of property following a death, but deciding what to accomplish with the transfer of assets is even more important. A solid estate plan can help create a sense of financial security in retirement, provide for heirs, and leave a positive legacy.



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The *Lasting Legacy* program provides suggestions for family discussions about critical decisions pertaining to end-of-life issues. Family council meetings and family business meetings are safe forums for

HIGHLIGHTED TOOL: LAST WILL OR TESTAMENT

All people, regardless of financial status, will have an estate when they die. Generally, an estate is a person's net worth in the eyes of the law. A Last Will or Testament is a set of instructions for a personal representative to follow when settling the estate of a person who has died (decedent). It is the most important document in an estate plan. A person's will should identify when, how, and to whom their assets should be disposed of and how their business affairs should be addressed, if applicable. In addition, it might also name a guardian for minor or adult dependents.



generation (children), and being overwhelmed with the process.

A will is a critical component of anyone's estate. It is the best approach to ensure the settlement of the estate and establish guardians for dependents. Creating a will does not have to be difficult, but individuals should seek legal counsel to make sure their wills accomplish the desired outcome when they are gone.

PROTECTING THE PEOPLE IN AGRICULTURE CONTINUED FROM PG. 1

sharing ideas (both expressing and listening), perceptions, and desires. *Lasting Legacy* materials include ideas for who should participate in the meetings, where they should be conducted, and how to run them.

RightRisk team members have conducted numerous *Lasting Legacy* education programs to help people begin reflecting on and documenting their legacies. RightRisk has made available a free, on-line course for people to view (RightRisk.org). The course includes a 135-page workbook for documenting the important decisions associated with each of the four pillars. Planning for succession and developing sound estate plans are critical risk management needs for all farmers, ranchers, and their families. *Lasting Legacy* is one of many ways farm and ranch families can begin to discuss and document intentions for their personal legacy.

RIGHTRISK™

- Education
- Coaching
- Research

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*How much risk
is right for you and your operation?*

RightRisk News is brought to you by the RightRisk Team

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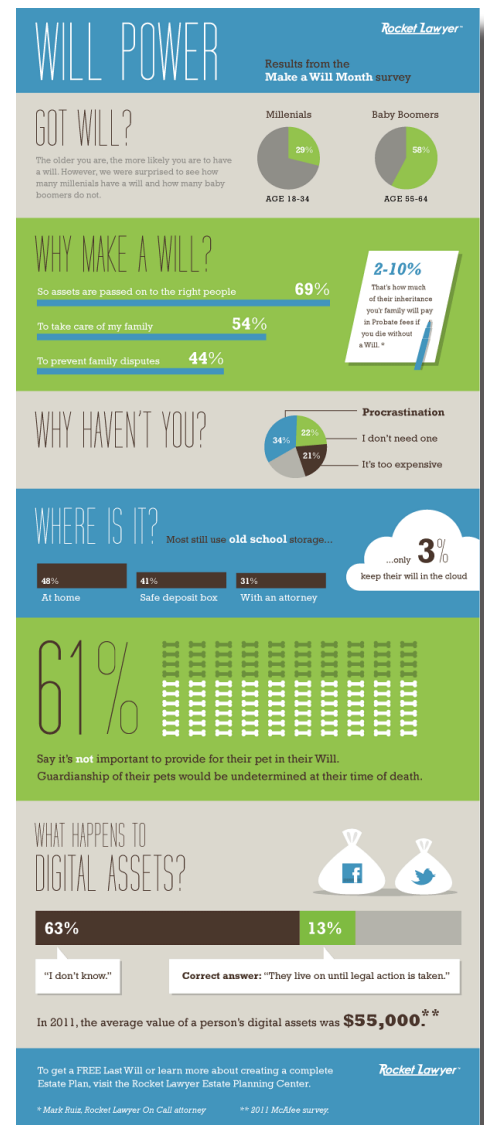
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