

## How To Check Up On Your Insurance Company.

While still a basically sound industry, many people want to make sure their company and policies remain sound. Here are some suggestions to help you check your policies.

Start by consulting your agent to confirm details of coverage. Agents can also provide a good overview of the companies they represent and should be very pleased to have the opportunity to address such questions. Additionally, you can do some of your own research by contacting the two national insurance company rating systems: A. M. Best, which rates the companies on the basis of financial soundness; and Standard & Poor, which rates the companies on responsiveness to policyholders.

State departments of insurance can also be important resources as most compile financial information on all insurance companies in their state.

You can also check with your state policyholder service, which likely is listed on your state's government website. Working much like the Better Business Bureau, these departments can help consumers learn about complaints that have been filed against a company.

Beyond checking a company's reputation for service, you need to trust the agent you're working with. So, always talk to two or more agents when policy shopping, comparing their attentiveness and perspectives on your insurance needs — and their prices.

*Winning the Insurance Game*, co-authored by consumer advocate Ralph Nader and Wesley J. Smith, estimates the typical consumer can save a substantial amount of money each year on premiums simply by asking questions and being careful. Even such basic maneuvers as selecting higher deductibles can reduce premiums by as much as 40%.

As with any important financial purchase, doing your homework, prudent shopping and comparison can help ensure your needs are met — both in the near and long term. §



# MoneyLetter

Ideas & Strategies for Success



## What Are Trust Services?

**A**s bank customers you may know that many major financial institutions have trust departments, but how many of you are aware of the services offered by a trust department? While trust services involving individual estate settlement is probably most well-known, trust departments function on several levels.

At Security Federal Savings Bank our Trust Department manages a large variety of relationships, including but not limited to personal trusts, testamentary trusts, estate administration, court-appointed financial guardianships, charitable trusts, scholarship trusts, agencies and estate planning type trusts which include ILITS, Crummey trusts, marital and credit shelter trusts.

Each trust client is unique with his or her own set of reasons for wanting and/or needing an account tied to the trust department and yet all relationships do have a few things in common. Each relationship is governed by a legal document of its own.

Establishing a trust requires competent legal advice in order to ensure that the document meets all federal, state and local requirements. Each trust document is unique and tailored specifically to the needs and desires of the trust principal. Trusts do not come in generic form. We work closely with the legal community whose members draft the legal documents that we then administer.

In order for Security Federal Savings Bank to serve in any capacity, we must either be named in the document or we must be hired by the named individual allowing us to act as his or her agent. The Trust Department is highly regulated and our first responsibility is always to the trust client.

Generally speaking, one of the main purposes of a trust, regardless of the type of trust, is to provide financial management. A trustee must insure that all funds held in trust are properly invested for safety and rate of return as well as to meet any liquidity needs of the account. We also collect all items of income, pay expenses as directed, provide accountings, maintain all financial records necessary for tax reporting purposes and perform any other function as directed by the governing document.

While perhaps trust departments were once utilized primarily by high net worth clients to manage large estates, the scope of services offered to clients by trust departments has expanded dramatically. Who can benefit from a trust relationship? People who are responsible for others, for example the parents of a disabled child, adult children concerned about an

elderly parent or other relative or the treasurer of an organization can benefit.

People facing a difficult transition, as with the death of a spouse, a divorce or those facing the need for financial protection due to illness can benefit. People who have received a sudden acquisition of wealth, for example the receipt of a lump sum distribution from a retirement plan, the sale of a business or property or an inheritance can benefit as well as those who are involved with estate planning or estate settlement, for example individuals who are serving as the executor of an estate or trustee of a trust or individuals who want to make planned gifts to charity can benefit. For more information on how our trust department can work for you, call any of our Security Federal Savings Bank Trust Department staff members; Suzanne Chilcott, Jon-Myckle Price or Barb Roads at 574-722-6261. §

*Articles in this newsletter are meant only to be informational, and are deemed reliable at time of publication, but are not warranted. Factual information should always be rechecked in light of applicable legislative and regulatory changes. Always consult with your personal attorney or financial counselor about matters pertaining to your portfolio or personal financial/investment or estate planning situation. © Signal Group Publishing, Inc. 2010. No reproduction in whole or in part without written permission. All rights reserved.*

**To learn more about how trust services can be to your advantage, call our trust services professionals at 574/722-6261. They are (l-r) Jon-Myckle Price, Trust Administrator ([jmp@SecFedBank.com](mailto:jmp@SecFedBank.com)); Barb Roads, Administrative Assistant ([barb@SecFedBank.com](mailto:barb@SecFedBank.com)); and Suzanne Chilcott, Senior VP Trust Operations ([suzanne@SecFedBank.com](mailto:suzanne@SecFedBank.com)).**

