

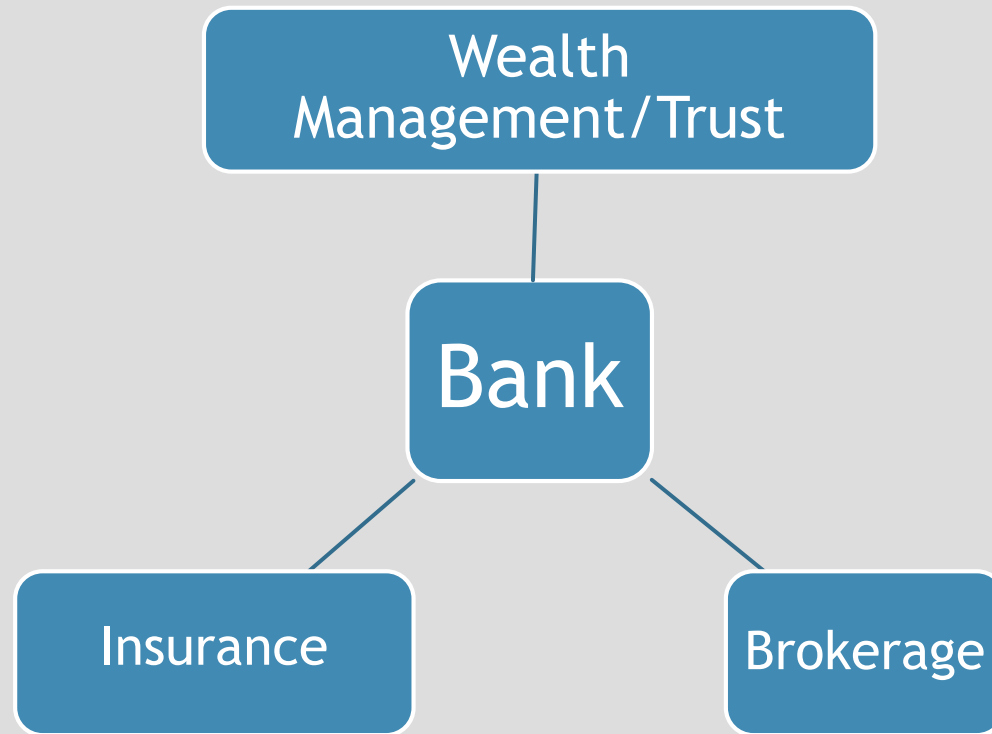
# Introduction to Wealth Management, Trust Services and Insurance

Jennifer Cook, CTFA

Senior Vice President, Head of Trust & Wealth Management

Norway Savings Bank

# How do banks offer these services?

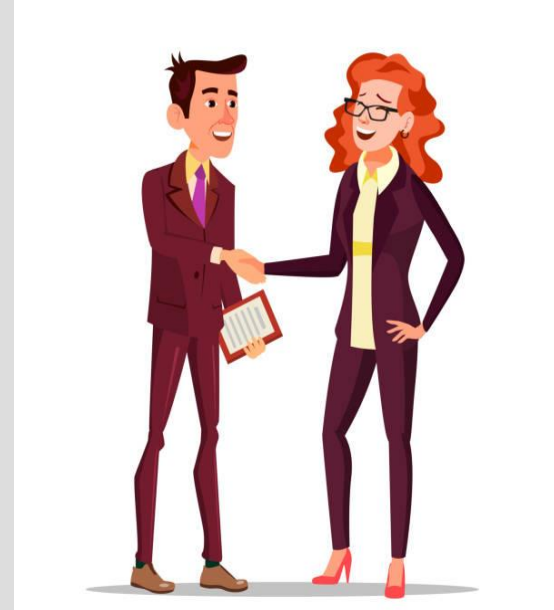


# Wealth Management v Brokerage

- ▶ Investment Management
- ▶ Trust Services
- ▶ Retirement Planning
- ▶ Estate Planning
- ▶ Private Banking services (lending)
- ▶ Non commissioned employees
- ▶ Financial Planning
- ▶ Acts as a fiduciary
- ▶ Minimum accounts range from \$250k - \$1Mil
- ▶ Agent for trustee services
- ▶ Usually smaller accounts
- ▶ Broader selection of investments
- ▶ Client can have more input in choices
- ▶ Commissions or transactional fees
- ▶ Mutual Funds/ETF's
- ▶ Financial Planning
- ▶ UTMA/UGMA accounts, 529 Plans
- ▶ Annuities
- ▶ Sometimes acts as a fiduciary
- ▶ Minimum account size is lower

# What is an Estate Plan?

- A Will
- A Financial Power of Attorney
- A Medical Power of Attorney
- A Living Will
- Review Beneficiaries (Life insurance, annuities, retirement accounts)
- Plan for Minor Children (Guardian)
- Safekeeping of legal documents



# Last Will and Testament

- ➔ 18 years of age and of sound mind
- ➔ Written, typed or printed
- ➔ Signed and witnessed
- ➔ No Will? Intestate



# What happens in an Estate?

- ▶ Will gets probated in court
- ▶ Named Executor or sometimes called Personal Representative is appointed by the probate court
- ▶ Identifies, collects and accounts for all property
- ▶ Collects any income due
- ▶ Pays any debts owed
- ▶ Sells or transfers ownership of remaining assets to beneficiaries according to the Will
- ▶ Close the Estate

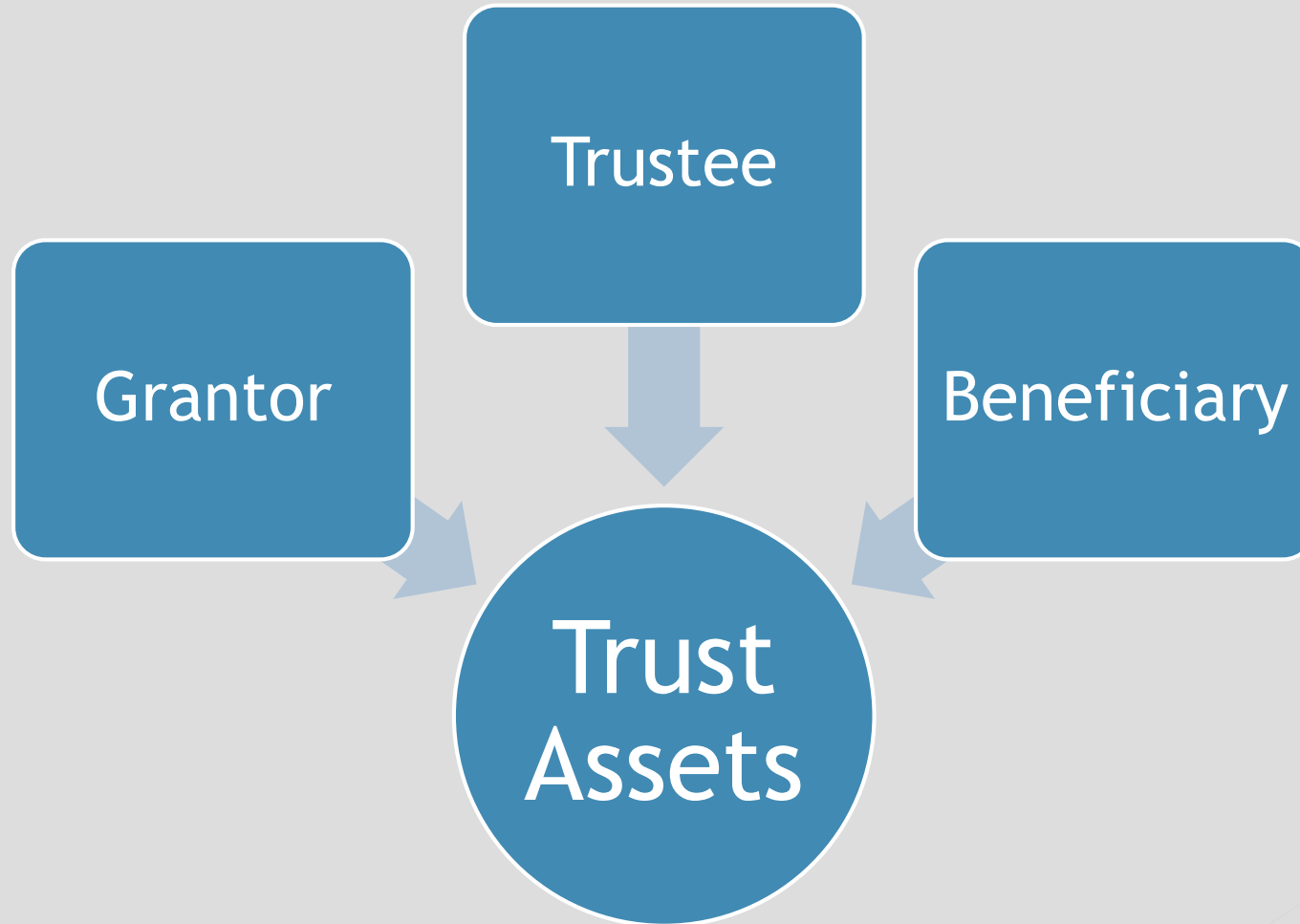
# Trusts



A TRUST is a legal, fiduciary relationship in which an individual or institution (the trustee) holds legal title to property with the responsibility for keeping or managing this property for the benefit of another person or beneficiary.



# Components of a trust relationship



# Revocable or Living Trusts

- Can change or terminate until death or incapacity
- Grantor maintains control of assets
- Can appoint a successor trustee to take over at incapacity or no longer want to manage
- Income and gains taxed at grantor tax rate

# Irrevocable Trusts

- Generally cannot be changed
- Testamentary Trusts (Trust Under Will)
- Family Trust
- Credit Shelter Trust/Marital Trust
- Special Needs Trust/Supplemental Care Trust
- QTIP Trust
- Irrevocable Life Insurance Trust
- Charitable Remainder/Lead Trust

# Reasons to have a trust

In the past, tax planning was the main reason for trusts, but not so much now...

Federal estate tax exemption 2022

\$12.06 million

Maine estate tax exemption 2022

\$6.01 million

New Hampshire estate tax exemption 2022

No estate tax

Vermont estate tax exemption 2022

\$5 million

# 2026

On December 31, 2025 the current federal estate and gift tax exemption will “sunset” and return to approximately \$6 million once adjusted for inflation.



## Reasons for having a trust

- ❖ Privacy of property and terms of the trust
- ❖ Avoids probate - expensive and time-consuming
- ❖ Protection for heirs
- ❖ Continuity of management
- ❖ Long term relationships spanning generations
- ❖ Complicated family dynamics
- ❖ Assist heirs manage inheritance
- ❖ Protection of benefits
- ❖ Can provide credit shelter protection

# What are the duties of a Trustee?

- ✓ To carry out the terms of the trust
- ✓ To act in the best interests of both current and future beneficiaries
- ✓ Make distributions of principal and income as outlined in the trust
- ✓ Duty of care
- ✓ Duty of impartiality and loyalty
- ✓ To communicate and account to all beneficiaries about trust transactions and assets
- ✓ To keep clear, accurate records
- ✓ To prudently invest the assets
- ✓ File tax returns and pay taxes



# Insurance

Insurance is the business of financial risk management. Insurance companies financially protect clients against certain risks by providing protection directly related to the risk.

Insurance agencies represent the customer and provide access to a carefully selected number of insurance companies vetted for financial stability and reputation. They do not work for the insurance company.



**100% of bank  
customers use  
insurance.**



# Types of Insurance Products and Services

## Personal

Home, auto, umbrella,  
boat, ATV, snowmobile,  
flood, collectibles,  
identity theft

## Business

General liability, worker's  
comp, key-person,  
property, auto, umbrella,  
equipment breakdown

## Employee Benefits

Health, dental,  
short/long term  
disability, life, long-term  
care, vision, voluntary  
life & disability

# Types of Financial Risk

Injury to  
self or  
others

Damage or  
theft to  
property

Business

Health

Financial

# How Do Offering Trust, Investment and Insurance Services Benefit the Bank?

- Helps attract new customers who might need trust, investment and insurance services.
- Increases retention of existing customers by making it less likely they will approach other financial institutions for these services.
- Possibility of consolidating accounts from other institutions.
- Potential increase in revenue to the bank.
- Increases the products and services used by the customer which improves and strengthens the relationship between the bank and the customer
- Maintains a competitive edge within the markets they serve.

# How Might These Services Benefit You?

- Ability to refer your customers, friends and family to trusted colleagues who can help them with their trust, investment and insurance needs.
- Could mean additional financial incentives if your bank offers a referral program.
- Strengthens your existing relationship with your customers, they know you are proactively looking out for their best interests.
- Expanding your knowledge in different areas of financial services.
- Potential career expansion or growth opportunity.



# Questions?

Jennifer L. Cook, CTFA  
SVP, Head of Trust & Wealth Management  
Norway Savings Asset Management Group  
1200 Congress Street  
Portland ME 04102  
207.482.7911  
[jcook@norwaysavingsbank.com](mailto:jcook@norwaysavingsbank.com)