



# THE LUBITZ FINANCIAL GROUP

## Wealth Planning Strategies

### Quarterly Newsletter

September 2017

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[www.LubitzFinancial.com](http://www.LubitzFinancial.com) > Forms/Newsletters



### The Lubitz Financial Group Reaches a Milestone

As shared in our June newsletter, we continue to commemorate our good fortune of celebrating 20 years as The Lubitz Financial Group. Clients. Friends. Colleagues. Thank you. Thank you as we reflect on growing together, smiling together, empathizing, compromising, assessing, discovering ... every day focusing on these, our firm's core values.

**Our team is: Rooted in Integrity \* Always puts the client's interest first \* Elevates our profession with compassion \* Is resourceful and creative in finding solutions \* Sets a high bar for one another \* Believes positivity is contagious**

### Estate Planning for Your Digital Assets

by Philip Herzberg, CFP®

When you create your estate plan, you're likely thinking about whom should get your home or the heirlooms that have been passed down from your great-grandparents. But with life increasingly being lived online, you may be overlooking a significant kind of property – digital assets. These are the online accounts in your name that may include files such as photos, images, and videos; e-mail accounts; and social media and networking accounts (Facebook, LinkedIn, and YouTube).

Even though the "digitizing" of personal and financial information online makes it easier to store and recall, your family members might not be able to account for all of these online assets that may have sentimental, practical or monetary value. Due to federal privacy laws, most Internet companies won't be able to ensure that access unless you have taken specific steps beforehand.

What can you do now to start organizing your digital assets?

- ♦ **Determine how you want your online life handled after your death.** Consider creating instructions for assigned people to access features on your social media accounts. For example, Facebook permits a personal administrator or immediate family member to close the account or "memorialize" it. You can also identify a "legacy contact," who can post your obituary on your Facebook timeline, respond to new friend requests, and archive your photos. Google has an "inactive account manager" feature, which allows you to name "trusted contacts" with whom to share specific data available from your Google and Gmail accounts. (*continued on Page 3*)

Are you on **LinkedIn**? If so, [connect](#) with **The Lubitz Financial Group** page for more articles!



### Insurance as an Investment

by Joshua Davison, CIMA®

Buzzwords like diversification, uncorrelated, and variance are often touted by us on how we invest your hard-earned dollars – but what does that really mean to you?

At their basic definition, we are looking for investments that behave differently from each other. If the U.S. stock market goes down 10% while a different investment, say managed futures, stays at 0%, during that same time frame, (*continued on page 3*)

### My Money Life

We recently created My Money Life instructional videos. These videos will help you navigate and utilize the My Money Life client website. You can learn how to connect your outside financial accounts, upload documents to your vault, manage your spending transactions, and more. Please contact us for information on how to access these helpful videos.

Valentina Lamas at  
305.670.4440

[MyMoneyLife Client Login](#)



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## AROUND THE OFFICE

**In the News ...** Phil was quoted in *Investment News*, 9/6/17, sharing LFG's Hurricane Irma prep. Check our website!

**Giving Back to the Community ...** Phil was elected Vice President of the Estate Planning Council of Greater Miami. He also chaired the Council's Summer Social Event in July. **Linda** was a panel contestant in an Estate Planning Jeopardy game that Phil moderated.

**Furthering the Profession ...** Phil presented a Florida Institute of CPAs (FICPA) South Dade Continuing Professional Education (CPE) Seminar on "New Developments for High Net Worth Clients' Tax Reform."

**Education ...** Phil and **Jorge** attended the July 11th Financial Planning Association of Miami Dinner Session, "2017 Economic Outlook (Federal Reserve Bank of Atlanta) - May You Live in Interesting Times" & "Risk Management Challenges and Trends of High Profile Net Worth Clients"

**Family & Personal Matters...** **Jorge** has new digs! Yes, he and Anna moved into a new place

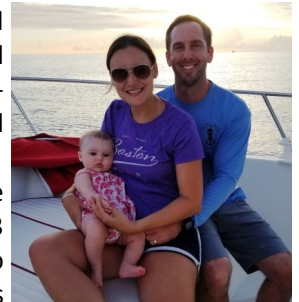
close to downtown Miami. **Linda** and Norm are going to be grandparents of a baby GIRL, in December. Son, Andrew and wife, Allyn, had the gender reveal party and the icing inside was pink! Norm, the "dark horse golfer," has progressed to the Final Four in the Oakland Club's golf tournament. **Josh** and Megan brought their daughter up north on her first plane ride to meet family for the first time! They returned to Florida and spent a relaxing weekend on the west coast soaking in a few sunsets.



**Exotic Travel ...** The town of Boonville, Missouri, was the site of **Linda** and Norm's sighting of the



Total Solar Eclipse. The Cruise America rented RV was home for 3 days in middle America. Besides the magnificence of the two minute, 39 second total eclipse experience, **Linda's** best memories are of the warm welcome they got from everyone in town. **Jorge** was back on the international circuit earlier this month with a quick trip to Paris, a wedding in Ibiza and a trip "home" to Marbella, Spain. He and **Nancy** crossed paths as she took a Mediterranean Cruise with ports including France, Spain, Malta and Italy. **Valentina** led the European charge in July when she and Felipe trav-



elled to Greece. **Maddy** and **Nercys** were happy to take a post-Irma cruise—relaxing and fun!

**Community Service ...** **Linda** continues to serve on the History Miami Endowment Board which provides support to the museum. If you haven't visited lately, there is a wonderful exhibition of the difficult times in Miami during Hurricane Andrew, 25 years ago.

**Office Happenings ...** Next time you're in our office, we can treat you to true Italian Espresso. **Nercys** and **Jorge** worked together to bring some flavor to the LFG office!



**Are you interested in having an LFG expert present to your office, study group or trade association? Topics include:**

Cat food or Caviar – What will it be for your retirement? \*\* Investing Basics – Be a Smart Investor \*\* After Disaster Planning \*\* Asset Allocation in the Real World \*\* Blended Families with Baggage \*\* What Does Creating a Wardrobe have in Common with Investing? \*\* Financial Strategies – How do I Maximize what I'm Earning and Keep it for Retirement? \*\*

Our advisors and professionals are dedicated to financial education. Some presentations can also be delivered in Spanish. Let us know if you'd like to know more. Nancy Mele 305 670 4440 \*\* [NancyM@LubitzFinancial.com](mailto:NancyM@LubitzFinancial.com)

**You want dinner ... when?** Whether you're a young professional, working full time with a family, a single entrepreneur working long hours, a working mom or dad or even retired ... we all need to eat! I hear so many options from friends – "healthy dinners" that ship ingredients and you do the cooking; pre-cooked meals delivered to your door – just leave the cooler on the front porch. *Money Magazine's* September issue's article entitled "Dinner in a Box" scored several meal-kit delivery services. If you'd like a copy of the article, click on this link [http://](http://time.com/money/4856342/best-meal-kits-value/)

[time.com/money/4856342/best-meal-kits-value/](http://time.com/money/4856342/best-meal-kits-value/) or send me an email. [NancyM@LubitzFinancial.com](mailto:NancyM@LubitzFinancial.com)

We have some first-hand knowledge here at LFG and will be happy to share. **Linda** uses both **Blue Apron** and **Home Chef**. She likes the fact that Home Chef puts all the ingredients in one bag whereas **Blue Apron** has them loose. **Jorge** also uses **Blue Apron** and a prepared meal service called **Pure Life** that delivers pre-cooked meals in Dade, Broward and Palm Beach. If you'd like specific feedback, please give Linda and/or Jorge a call.

**Bon Appetit!**

## Estate Planning for Your Digital Assets (continued from page 1)

- ♦ **Inventory your digital assets.** List all financial, purchasing, and social accounts, including login IDs and passwords to access them. Be sure to store this inventory in a secure location, somewhere other than an e-mail account. Some e-mail providers, like Yahoo!, will close an account that has been inactive for many months and delete the e-mail history. Your executor may not be able to copy important e-mails or contact lists before the account is deactivated, even if an executor promptly contacts the e-mail provider. If you store any digital assets in the cloud, back them up to a local computer or storage device on a frequent basis so that family members and fiduciaries can easily access them.
- ♦ **Don't assume your digital estate has no value.** Did you know that some frequent flyer points are transferable after your death? Credit cards with cash-back feature stores may be redeemable after your death, but only if they are claimed. PayPal accounts with money have financial value in them. Internet domain names are possibly sellable, and blogs are a form of intellectual property. Plan ahead for these digital accounts since more of these valuable assets are moving to a digital format.
- ♦ **Use a password manager and an online vault.** Sites, such as LastPass and Dashlane, maintain a record of online accounts and passwords in a digital safe. You can set them up to transfer the passwords to your representative at a specific event, such as your death and incapacity. Consider using an online vault, such as *My Money Life* or Dropbox, to store your digital estate planning documents, so that the executor can more easily find information to close the estate.
- ♦ **Provide consent in legal documents.** Talk to an estate planning attorney about updating your wills, powers of attorney, and any revocable living trusts. They should incorporate language giving lawful consent for providers to divulge the contents of your electronic communications to the appropriate people. Be careful if you include provisions covering digital assets in your estate planning documents *and* complete a provider's access-authorization tool. The provisions in the documents should match the information you give in the provider's access-authorization tool. If they don't, the provider probably will follow the instructions you gave in its access tool and not your estate plan.

Call your LFG Advisors at 305.670.4440 if you want guidance on planning for your digital estate.

## Insurance as an Investment (continued from page 1)

we would call that one of those elaborate words. The idea is to put together a portfolio of investments that do not all act the same; this way, if a few go down, the rest do not follow suit.

We spend a great deal of time researching different investments and putting them together to achieve diversification in what you know as your asset allocation, specified on your personalized Investment Policy Statement. When we come across an asset that demonstrates behavior unlike stocks or bonds, we call it an Alternative asset.

A value we provide to our clients is the ability to be selective, after extensive examination, about the assets we invest in. One such asset, reinsurance, recently added to our portfolios, takes behaving differently to a new level. What exactly is reinsurance, you say? Let me explain.

Most people buy some kind of insurance, like the ones you have for homeowners and flood insurance. Insurance companies also buy insurance; reinsurance is insurance for insurance companies. Reinsurers pay claims to insurers if losses are large enough, often for severe, unpredictable events, like hurricanes or earthquakes. How is an investor able to take part in these transactions? There are two common types of investments, called Insurance-Linked Securities (ILS). The first, Catastrophe Bonds, provides protection for a particular type of risk or 'event', like a Hurricane hitting Florida, or an earthquake in Mexico. Simply said, if there is no disaster, the owner's principal is returned, along with an interest payment. If there is a disaster, the holder of a "Cat Bond" forfeits the principal, which is then used to pay reinsurance claims.

The other form of ILS is called a Quota Share. Investors receive a percentage of a reinsurer's premiums received from a globally mixed book of policies. These can range from aviation & marine perils to loss of fine arts or political risks.

Both Cat Bonds & Quota shares offer a source of return that truly behaves differently than any other asset class. Drops in the S&P 500 or actions of the Federal Reserve don't cause hurricanes and plane crashes. While Hurricane Harvey & Irma were devastating the Caribbean and United States, the Dow Jones was hitting new record highs and global markets continued higher.

Yes, reinsurance funds did decline during this time, But when reinsurers suffer losses, they typically raise prices, which translate into higher premiums for customers and better returns for investors in the long run. Reinsurers will almost certainly have to pay benefits to primary insurers; still, the reinsurance industry appears to be well-capitalized and each disaster adds a mark that allows for premium increases moving forward. This year has been active for natural disasters, but statistically speaking the number of events is still within the norm of occurrences. The decades of the 90s and 00s are still ranked as the most active on record. Like most asset classes, reinsurance is meant to be viewed from a long-term perspective. Any one year can be very good or very bad, but that does not necessarily mean that the fundamentals of the market have changed.

We continue to believe in the asset class's ability to diversify, or behave differently in your portfolio, and offer rewards for long-term investors.



We welcome the opportunity to help you, your family and friends achieve peace of mind related to wealth and life transition planning.

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### *Thoughts to Live By ...*

*"Where focus goes, energy flows."*

*~Tony Robbins*

*"It doesn't matter who you are, where you come from. The ability to triumph begins with you. Always."*

*~ Oprah Winfrey*

*"Mental attitude plays a far more important role in a person's success or failure than mental capacity."*

*~Kemmons Wilson, Founder of Holiday Inn*

