

Estate Planning in the Modern Age

Organize your Collections for Easy Estate Planning



Arthur L. Bernstein

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Recent history has seen the value of blue-chip collectibles increase proportionately to the stock market, and with both at all-time highs, collectors should consider having a qualified appraiser determine the current value of their collection. **While an appraisal is the logical first step, there are a multitude of value added services offered by professional advisory firms that can yield significant financial and administrative benefits.** Much the same as selecting your estate planning team, choosing the right advisory firm for your treasured collectibles is a decision that shouldn't be taken lightly. **When performing the necessary**

due diligence while choosing advisors, the following are the types of services that should be offered by your list of qualified professionals.

Acquisition

Whether you wish to acquire a single piece or build an entire collection, your advisor should help articulate your vision and guide you through the purchase process. Advisors should have extensive knowledge in most collecting categories and have unparalleled access to collectibles within the primary and secondary markets, as well as through private sources.

Appraisals

When determining the current fair market value of an item you wish to sell, obtaining insurance coverage for a family heirloom, or assessing damage incurred by an unforeseen event, an appraisal should set forth an opinion of value determined by a professional. Appraisals should be done using the appropriate methodology relative to the objective of the assignment.

Brokerage

When dealing in volume based consignments, an advisor or broker should have access to the world's premier auction houses. They should also be able to offer clients a 0% commission deal, enhanced with no insurance, photography, or buy-in fees. For clients favoring a private sale format, advisors should have access to an extensive collector network, comprised of top collectors, dealers, and investors. **This white glove service not only allows the client to sit back and relax while bids are gathered, but also extends the potential range of buyers from local to global.**

Collection Management

This service provides clients with the ability to readily access and share details of their most treasured collectibles through a secure cloud-based platform that is curated by industry experts. Kravit offers this exclusive service that allows for centralizing a client's data through the unlimited capacity of the Kravit interface. Client data is protected with bank level security, which provides the highest standard of privacy while daily off-site backups ensure collection details are protected at all times.

Account owners can set customized user restrictions and therefore control what information is available and to whom. For example, a client's estate planning team might be granted unlimited access to financial details, while family and friends may only be granted limited access to images and descriptions. Collection management is not only a must have for serious collectors, but also serves as an invaluable estate planning tool.

ILITs

Another tool often used in collection and estate planning is the irrevocable life insurance trust (ILIT). **ILITs are used to pass on wealth on a tax-preferred basis and are strong vehicles for liquidity.** Having a collection properly managed makes implementing these estate planning techniques much simpler and at a lower cost. **ILITs also make it easier to shelter asset appreciation for estate tax planning purposes, a service especially valuable for collections.**



Andrew Kravit

Andrew Kravit, G.G., ISA is the founder of Kravit Estate Appraisals, Florida's premier tangible personal property appraisal and advisory firm, with offices in Boca Raton and Naples. He holds his Graduate Gemology degree from the Gemological Institute of America and is accredited through the International Society of Appraisers. The Kravit team consists of experts in 30 collecting categories, all of which are multigenerational or have major auction house experience.

Arthur L. Bernstein is instrumental in new group/employee benefits development and individual life insurance planning at Richard S. Bernstein & Associates, Inc. He assists corporations to expand their current revenues while creatively exploring additional methods to reduce insurance costs. You may contact him at 561.689.1000 or e-mail him at arthur@rbernstein.com.

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