

TOM HEGNA'S SUCCESS STORIES

**HOW 4 COWS SOLD A
7 MILLION DOLLAR POLICY**

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John Sr. was a very successful rancher in Colorado. He was worth around \$15 million. The financial professional who brought me was recommending a \$7 million permanent Life Insurance policy to pay the estate taxes. John said, "Heck, I'm loaded – I'm worth \$15 million, I don't need any Life Insurance! In fact, if I had one more penny to my name, the last place I'd put it would be Life Insurance. I think you are just trying to make a commission."

This is a very common objection from wealthy people; I smiled because I knew it was coming. I just leaned forward, looked John in the eyes, and said, "John, let me be the first to agree with you. You are worth a lot of money, and you are correct – you don't need any Life Insurance in the traditional sense of Life Insurance. What you DO need is a way to transfer your wealth to your children and grandchildren in the most tax-efficient manner possible. See, if we could transfer your wealth with real estate, stocks, bonds, CDs, or Coca Cola cans, we would. But, the tax code clearly favors Life Insurance. There is no more efficient way to transfer wealth to your heirs than Life Insurance. And John, that is not an opinion. That is a mathematical, scientific, and economic fact." John was still unconvinced.

The financial professional reached into his bag, and took out four plastic cows from a kid's farming set. He set the four plastic cows on the table. He said, "John, these are your cash cows. This one represents all of your land. This one represents all of your buildings. This one represents all of your farm equipment and this one represents all of your investments. When you die, the IRS is going to come to the farm and butcher two of these cows. They will butcher those two cows and keep all of the meat. But it doesn't have to be that way. If we just took a little milk from each of the cows, then we could buy a Life Insurance policy that will pay the IRS when you die, allowing all of your cash cows to go to your family. John, the choice is yours. One of those two things IS going to happen. YOU get to decide which one." John's eyes lit up, and he said "Well heck, every rancher knows it's better to give up a little milk than to butcher two good cows!" He got it!

How do you want to be remembered?

- Tom Hegna

