

Unedited transcript of

"Ask the Experts" Q&A Session & Key Takeaways

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Speaker(s)

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>>: I just want to remind everyone that I have David and Brian and Heidi here for a couple more minutes so if you have any other lingering questions about anything this morning, please type them in now and we can address them and, of course, I'll be here with you all week so you can always feel free to ask me those at the top or the bottom of each day's presentation. And we are going to do a deeper dive, I don't think it's tomorrow, I think it's Wednesday. We're going to do a deep dive into succession planning so a lot of the things that David and Brian talked about today. We will go into much greater detail, but the purpose of this really and all these topics is just so you're aware of what you need to be aware of, right? So there's so much that comes under the umbrella of estate planning, which I hope you understand how after just a few hours of listening to these guys. And so you really need to be well versed in these things and if you aren't well versed, then you reach out to those that are, because certainly, there are consequences for planning in a vacuum. So the life insurance question that came in is what if a company stops funding the life insurance policy and refuses to buy out the shareholder's interests pursuant to their buy-sell agreement? And I think the company they're talking about is when you're setting it up, right, between partners or whatever you're doing.

>>: Once again, if you're setting up a buy-sell agreement for some clients, one of the best ways to fund that agreement is with insurance so if the company starts paying the premiums, the surviving owner is going to need to give the decedent owner's spouse more likely than not a promissory note to pay for the value of the business interest that they acquired

pursuant to the buy-sell. You're using cash from the business to buy out the other owner's business interests, especially if the other owner was a rainmaker, as well. Not only did you lose the ability to bring money into the company, but now, you've got to pay them off.

>>: Another question that came in. Have you set up privately placed life insurance in your practice?

>>: Yes.

>>: And that is I think beyond the scope of this course, but there are a lot of very creative planning opportunities with life insurance that are not for the faint of heart. So if you do not know what you're doing, do not do it. All right. Any other questions that anyone has? Please feel free to shoot those in quickly. David, Heidi, Brian, thank you so much. I don't know if any of you have sort of parting thoughts that you want leave with everyone as a key takeaway? Please do that now. If not, we will see everyone for round 2 tomorrow morning.

>>: So basically, like Katie was saying, it's really important to have a good group of advisors that, you know, you're going to be working with as an attorney. Make sure you have a good working relationship with a life insurance professional, someone like David who knows these policies and products inside and out. As an attorney, I think the most important thing is you kind of have a basic knowledge or understanding of life insurance products that are out there, but, you know, most attorneys are not going to be selling life insurance. I think it's really good to have professionals that you surround yourself with that know these things inside and out so you can direct your clients when they have, you know, needs for long-term care, needs for life insurance, for whatever type of planning you're doing. I think it's really important and they can obviously be a very good source of referrals for you, as well. It goes both ways.

>>: Absolutely. Heidi, any parting thoughts for our viewers this morning?

>>: No. I think that like Brian was saying, important to have a great team around you. I'll just go back to my presentation -- I'm sorry it ended up

being so quick there at the end, just the kind of final thought that I have is that, you know, your clients look to you as an advisor on kind of all things. You're advising them not only on the tax process and the court process, but also, you know, how does it make sense to give money to children? What's a better way to think about doing that? And the same thing can be said from a life insurance perspective. They're looking to you for advice on how can you incorporate life insurance into your plans? You don't need to be the expert on the details of the plan but to basically say to them this is why an ILIT makes sense in your situation or this is why, you know, a policy for a buy-sell agreement makes sense. You can start the conversation and hand them off to somebody else. I love that part of our job, that it's multifaceted. It's not just tax; it's not just insurance, but it's all of it, including the soft skills of the people part of it so I hope that you guys all learn a lot over the next week and we're always open, if you have questions for us that come up or you need a resource, at least I can say for myself that I'm happy to answer questions if you have them.

>>: Awesome. I think everyone's contact information was provided in the materials. So please do reach out if you have lingering questions or didn't want to ask or whatever it might be. We're all happy to field those questions, as well. All right. So I will see everybody -- I won't see you, but in a normal -- in a normal MCLE, I would see all of you. So I will see you all tomorrow at 9:30. And we're going to talk a lot about transfer tax, and it's going to be very, very exciting, I promise. All right. Thanks, everybody. We'll see you in the morning.

>>: Thank you.