Allianz

Allianz Life Insurance Company of North America

LIFE ADVANCED MARKETS

A guide to successful family estate planning strategy meetings

Understanding the intergenerational wealth transfer opportunity

A recent report projects that **wealth transferred through 2048 will total nearly $124 trillion.**

In the next few decades, trillions of dollars are expected to transfer between spouses and from one generation to the next. A recent report by research firm Cerulli Associates projects that wealth transferred through 2048 will total nearly $124 trillion.[1]

- $105 trillion is expected to flow to heirs.
- $18 trillion is expected to go to charity.

Of this amount,

- Nearly $100 trillion is expected to be transferred from baby boomers and older generations, representing 81% of all transfers.
- $54 trillion is expected to be passed on to surviving spouses (before eventually transferring intergenerationally to heirs and charities).
- $40 trillion of these spousal transfers are expected to go to widowed women in the baby boomer and older generations.

Cerulli further highlights that over the course of the next 25 years, millennials are expected to inherit the largest share of wealth (nearly $46 trillion) of any generation. Over the next 10 years, however, it is Gen X that is poised to inherit the greatest portion of wealth, $14 trillion (compared to the $8 trillion expected to go to millennials during that period).

Obviously, there appears to be a significant need for effective and tax-efficient intra-generational and multi-generational estate planning strategies for these groups. Wealth advisors, wealth managers, and life insurance professionals play an important role in the estate planning process, often initiating the estate planning conversation with a client or prospect.

This guide will equip financial professionals to organize and conduct an effective family estate planning meeting, and show how life insurance can play a part in an estate planning strategy. Along with establishing and maintaining relationships with current clients, estate planning can help develop relationships with a new generation of potential clients – the client's children, and even grandchildren.

[1] Cerulli Associates, Cerulli Anticipates $124 Trillion in Wealth Will Transfer Through 2048, December 2, 2024.

Product and feature availability may vary by state and broker/dealer.

Allianz Life Insurance Company of North America does not provide financial planning services.

AMK-814 (10/2025)

PURPOSE OF A FAMILY ESTATE PLANNING STRATEGY MEETING

Even if a family has an effective written estate planning strategy, transferring wealth to second and third generations can be challenging. Lack of trust, poor communication among family members, lack of heirs' financial literacy, and lack of awareness of the purpose of family wealth and future goals are all factors that may adversely affect the intergenerational preservation of wealth.

Warren Buffet recognized this in a letter to Berkshire Hathaway shareholders in which he recommended:

"When your children are mature, have them read your will before you sign it. Be sure each child understands both the logic for your decisions and the responsibilities they will encounter upon your death. If they have any questions or suggestions, listen carefully and adopt those found sensible. You don't want your children asking 'Why?' ... when you are no longer able to respond."[1]

The family meeting can be a great forum to:

- Discuss and explain the estate planning strategy process;
- Review a proposed or existing strategy and recommend any changes to wills and trusts;
- Identify fiduciaries (e.g., personal representatives and trustees) and explain their roles;
- Communicate values and goals relating to family wealth and legacy planning strategies;
- Educate younger generations as to how wealth should be transferred, managed, and retained across generations; and
- Collectively engage in decision making, problem solving, and encouragement.

RULES FOR AN EFFECTIVE MEETING

Family meetings are an opportunity for those who have created or managed the family wealth to share information with other family members about values, charitable legacy intentions, wealth management goals, and other concerns. But it's also a time to hear from those who may receive the wealth and respond to questions, concerns, and ideas they may have.

Meeting logistics and ground rules should be established and communicated before the meeting takes place.

1. **Meeting duration:** Prior to the start of the meeting, determine the length of the meeting. The meeting length will of course depend on the number of topics to be discussed, as well as the complexity of those topics. Try to make the first meeting brief, perhaps no more than one hour.
2. **Attendees:** Identify who will be invited to attend the meeting. Depending on the topics to be discussed, it's not uncommon to restrict attendance to family members only, without in-laws, partners, or spouses present. Attendance should be optional, at least for the first meeting. Also consider whether professional advisors should attend – such as portfolio managers, attorneys, accountants/tax preparers, insurance professionals, trustees, and conservators.
3. **Meeting venue:** Once attendees have been identified, determine whether meetings will be in-person or whether video or audio conferencing will be used. In-person attendance is generally preferred but may not always be possible. Video conferencing is the next best substitute.
4. **Meeting agenda:** A written meeting agenda should be prepared and provided to attendees prior to the meeting. In order to learn about questions, concerns, and ideas family members might have, it may be useful to ask attendees to submit proposed agenda topics in advance. Also determine the scope of specific information that should be shared or protected. For example, parents may choose not to share specific information on asset or account values, or may choose to share only a redacted version of their will, trust, or other documents.
5. **Meeting notes:** Determine whether the meeting should be recorded or meeting notes taken. Also determine whether attendees will receive copies of the recording or meeting notes.
6. **Sharing client documents or information:** Determine what documents or other information may be shared with attendees. Documents and information provided confidentially to an advisor/professional by the client, or by the client to an advisor/professional, should not be shared unless the advisor/professional has the client's express written consent to do so. Similarly, any communications between a client and his or her attorney should not be shared without the client's prior consent in order to avoid waiving the attorney-client privilege.

[1] Letter to Berkshire Hathaway shareholders, Warren Buffet, Nov. 25, 2024

7. **Meeting chair or facilitator:** In some cases, the advisor/professional may prepare the agenda and run the meeting. However, a trained, third-party meeting facilitator might be a good choice, especially if there are conflicts of interest or if potential conflict among attendees is anticipated.

8. **Dealing with potential conflicts:** Decide in advance how to deal with potential conflict among attendees. Impress upon all attendees the need to be respectful of others, even though they may not agree. Don't try to resolve every conflict in one meeting. Consider tabling some topics for a future meeting, especially issues that may be more complex or require some additional tax or legal analysis.

Preparing an effective meeting agenda

Thoughtful preparation of an agenda prior to the meeting is critical. The agenda provides structure and focus, ensuring meetings will be productive, efficient, and achieve their intended outcomes. Think of the agenda as a meeting roadmap, outlining discussion topics and objectives, as well as time allocations to help attendees prepare and stay on track.

This meeting agenda can be used as a starting point and modified as necessary for your particular situation.

Sample meeting agenda		
Date:	Time:	Location:
Virtual meeting details (Webex, Teams, Zoom):		
Attendees:		
Meeting facilitator:		

Time	Discussion topic
9:00 - 9:05	Welcome, description of meeting purpose, distribution of meeting books
9:05 - 9:15	Introductions of advisors, professionals, and family members
9:15 - 10:15	Overview of professional advisor roles by each advisor/professional in attendance Overview of the financial planning process Review of documents and discussion of document retention and access (including location and who has access in the event of an emergency). Provide recommendations for keeping documents secure. Discussion of digital assets and access (e.g., online account access, social media accounts, virtual currency, etc.). Overview of the structure of the estate planning strategy, discussion of fiduciary roles (e.g., executor, personal representative, trustee, conservator, attorney-in-fact).
10:15 - 10:20	Break
10:20 - 10:40	Discussion of any recommended changes to estate plan, life insurance, or other changes
10:40 - 10:55	Respond to family member questions
10:55 - 11:00	Wrap-up, review of next steps, scheduling follow-up meetings
11:00	Adjourn meeting

SUGGESTED FAMILY MEETING DISCUSSION TOPICS

Family history regarding acquisition of wealth: Do family members understand the family history and how the senior generations worked to acquire the family wealth?

Family estate plan: Are heirs and beneficiaries familiar with the framework of the family's estate plan, and do they understand how it may impact them? Do they understand future roles and responsibilities (e.g., serving as personal representative, trustee, trust protector, guardian, conservator, etc.)? You may want to consult with an attorney and/or tax advisor to discuss your family's specific situation.

Family professionals/advisors: Have junior generations been introduced to the family's professional advisors, including attorneys, tax preparers, financial advisors, insurance professionals? Have advisor/professional roles been clearly explained?

Family legacy planning goals: Does the family have, or desire to establish, a charitable giving program (e.g., charitable trusts, private foundation, donor-advised fund) to promote a culture of gratitude and generosity within the family?

Family business succession: Does the business have a buy-sell agreement established between the business and its owners? Is that agreement properly funded with life insurance?

Family heirlooms and sentimental property: What will happen to family heirlooms, keepsakes, art, and collectibles? Are these items specifically addressed in a will or trust, or has a written list been established designating who is to receive these items? What if an item needs to be shipped to a beneficiary? Who will cover shipping costs?

Unique issues related to certain heirs or beneficiaries: Do any family members have unique circumstances such as special needs, addictions or substance abuse issues, criminal convictions, or other circumstances which may warrant special planning where outright distributions of wealth should be avoided?

Terminal illness and end-of-life care: What are your preferences for medical treatment in the event of a terminal illness? Have you expressed these desires in writing (e.g., completed a health care power of attorney, living will, health care proxy, health care directive, or "do not resuscitate" (DNR) order? Who has been legally designated to make medical decisions on your behalf, and why?

Funeral arrangements: Are there specific burial, cremation, or funeral arrangements that you wish to be followed? Have you entered into any pre-funded funeral contracts or purchased a burial plot?

→ **IF YOU HAVE OTHER QUESTIONS,** contact the Allianz Life Insurance Advanced Markets team.

This document is intended for informational purposes only. Clients are encouraged to consult their tax advisor or attorney.

This content is for general educational purposes only. It is not intended to provide fiduciary, tax, or legal advice and cannot be used to avoid tax penalties or to promote, market, or recommend any tax plan or arrangement. Please note that Allianz Life Insurance Company of North America, its affiliated companies, and their representatives and employees do not give fiduciary, tax, or legal advice or advice related to Social Security or Medicare. Clients are encouraged to consult their tax advisor or attorney, or Social Security Administration (SSA) office, for their particular situation.

Allianz Life Insurance Company of North America does not provide financial planning services.

Product and feature availability may vary by state and broker/dealer.

Guarantees are backed solely by the financial strength and claims-paying ability of Allianz Life Insurance Company of North America.

Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. 800.950.1962. www.allianzlife.com

This content does not apply in the state of New York.