

Whole Life Insurance is a Popular Wealth Strategy

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Whole life insurance policies with cash value have been a wealth strategy utilized by wealthy dynasty families, successful entrepreneurs, powerhouse companies such as Bank of America, Wells Fargo, Comcast, Walt Disney Co., CBS corp., New York Times, Time Warner Inc., Walmart, Chase, General Electric and prestigious universities including the University of Michigan. The policies with cash value can be used to pay executives and coaches, employee incentives, protect money from lawsuits and creditors, reduce taxes and create generational wealth. To date, the largest permanent insurance policy reported by the Guinness book of world records in 2014 was purchased by an entrepreneur for \$210 million dollars.

What does University of Michigan, Walt Disney, McDonalds and more have in common?

The University of Michigan utilized the strategy of permanent life insurance with cash value to pay Jim Harbaugh, head football coach. This arrangement made Harbaugh the highest paid college football coach in the country in the year 2016. It was also designed to provide Harbaugh with millions of dollars of tax-free cash during retirement.



Walt Disney utilized the cash value of a permanent life insurance policy to open Disney World. When he realized that he could not get traditional financing for Disneyland, he borrowed money from the cash value of his whole life insurance policy. Likewise, Ray Croc used this same strategy from two policies to help start McDonalds. He used the money from his two policies to pay employees, overcome cash flow problems and launch his marketing campaign. Leland Stanford also used the finance feature from his whole life policy in 1939 to start Stanford University. Other industry leaders utilizing these methods include Harvey Firestone, J.C. Penny and Walter Chrysler.

Presidents, Financial Crisis, The Famous & Fraud

There are been multiple U.S. presidents that have utilized permanent life insurance including John F. Kennedy, Franklin D. Roosevelt, Richard Nixon and James Garfield. John McCain funded his initial campaign against Barack Obama by using the financing feature of a permanent life insurance policy.

In the middle to end of the financial crisis, Wells Fargo Bank increased the amount of permanent life insurance holdings from 5 Billion to 20 Billion between 2009 and 2011. This accounted for 30% of their total liquid assets. Other well-known banks including JP Morgan Chase and Bank of America own permanent life insurance with cash value. The policies are owned by the bank on employees and also used to fund executive pension plans.

Family empires using the permanent life insurance with cash value include the Rockefellers and Kennedys. They have also utilized the policies to build and sustain generational wealth to ensure that children, grandchildren and generations to come are financially secure. The Rockefellers utilized these strategies to build generational wealth that continues today. Conversely, families like the Vanderbilt's have lost their family fortune by failing to implement sustainable generational wealth strategies.

Famous athletes and celebrities who have utilized permanent life insurance with cash value include Babe Ruth, Lou Gehrig, Nat "King" Cole, Cecil B de Mille, Charles and William Mayo.

Enron's CEO Kenneth Lay was compensated using permanent life insurance with cash value. Following the collapse of ENRON, Kenneth Lay was convicted of fraud. However, there was no recourse against Kenneth Lay personally as his assets were protected by permanent life insurance and annuities.

Permanent life insurance is a strategy that has been used for over a hundred years through every economy, including the great depression and wars. The wealthiest families and prominent business people use permanent life insurance with cash value as part of their financial plan. This strategy has become increasingly popular today as it is based on certainty and simplicity along with many other benefits.

Want more information?

To find out more about why CORE Financial Group teaches clients about whole life insurance, please contact our team at CORE Financial Group by calling 888.600.1112 or visit www.corefinancialgroup.net.

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