

EAGA Business Builder

Volume 14

Issue 21

eaganm.com

May 22, 2018

Today's speaker was Adam Tafoya—New York Life



Mr. Tafoya has been in Albuquerque for a long while. He went to High School here and graduated from UNM—twice, with two degrees. Actually, Adam is really not that old, so 'a long while' is a relative term. Speaking of relatives, Adam is married to a wonderful lady, Diane, and they have three great children. Five year old son, Kai; three year old son, Jude; and almost two year old daughter, Eden. Jude has already encountered some complications in his young life. He has Type 1 Diabetes. Jude is a tough youngster though and is doing OK with the diet, meds and different

challenges. Daughter, Eden, has a little more of an inside track with Dad...as do most daughters, with most Dads. She even had two pictures included during the family portion of the presentation today. When Mr. Tafoya is not spending time with his family, he is an agent for the New York Life Insurance Company. Adam notes that there are two basic reasons that people purchase life insurance: Because they love someone; or they owe a fair amount of money to someone. (Probably need just one policy if the beneficiary is both the 'loved one' and 'owed to' person.) Term Life is a common form of insurance, but is it the best thing? That, as is the case with everything in life, depends on the circumstances. But if you think that it is a "buy it and forget it" proposition, you should be aware of these facts - Ninety percent of term life insurance policies are terminated or converted before the end of the written expiration date. Forty-five percent of them in the first year; twelve percent in the second year; and the average real length of a term policy is 2 years. Only one of ten go to the originally intended expiration date, and only 1% are ever paid out. All that doesn't mean that term life is a bad thing. As noted earlier, everything depends on the situation. Any life insurance does provide financial assistance to the beneficiary if the policyholder dies; so there is that benefit. Sometimes agreements require that life insurance be put in place as security for the other parties of the agreement. That led into a discussion about the four letter acronyms referencing major groups that own life insurance policies. Those would be: SALI; BOLI and COLI (Adam did not reference eColi, either because it has more than 4 letters, or because it has nothing to do with life insurance unless it is a terribly severe case - and then it would fall under the beneficiary security discussion above). SALI is "Separate account life insurance" . BOLI is Bank owned life insurance; COLI is Corporate owned life insurance. Those topics are more complicated than just saying they are to insure valuable officers or other individuals. The clarification of it all, if you really want to know about them, is better left to one-on-one discussions with Adam. The entire discussion about life insurance includes more than 'will the policy holder die before the policy expires; gets converted; or is otherwise terminated'. There should be thought given to the value of the premiums when considered with one's entire circle of wealth review. The circle of wealth includes everything that plays a part in a person's financial situation. Sources of wealth include accumulated money; transferred money; and life style choices. Accumulated money comes from keeping some of what you get. Transferred money comes from places like investments or tax refunds. Life Style portion comes from deciding what and how much to spend, versus not spend, and weighing the current and long term benefits of each. Adam spoke about "opportunity costs" - using funds makes them obviously unavailable for use at a later time - unless the current use generates money that can be brought into the accumulated funds bucket. And speaking of buckets: Mr. Tafoya also noted that consideration needs to be given to various classifications of funds: Taxable; Tax Deferred; and Tax Free. The best place for most of your money would be the bucket classified as (probably you long ago learned this one) tax free. Tax deferred works if the tax hit comes at a reasonable time. The taxable is something to be avoided—but it can not be totally avoided. The government keeps spending money, so will continue to force contributions into its coffers. The more they need, the more places they choose to look for additional revenue. Currently life insurance proceeds are not taxable, but it is on the IRS' hit list. They consider insurance proceeds to be a form of subsidy, so obviously, want their unfair share. If you have read this far and can say that you clearly understand it all, and you clearly know how to proceed with all your funds.....really? Adam's presentation covered a lot of things about a lot of things. At the time, it was somewhat confusing and/or overwhelming to us non-knowledgeable participants. OK – I can't speak for other members of the audience, but I can assure you that this article could not possibly be all encompassing, nor even somewhat understandable, regarding the various benefits, options and precautions to be considered when planning your financial future. There are only two things currently clear to me. One is a judge's statement referenced by Adam "There is not a political duty to raise one's taxes". The other is " the more funds you can accumulate and keep, the better off you will be ". Your very best option for getting real and accurate information and options, is to discuss your situation with Mr. Tafoya. You can contact him by phone at 505-514-9310. If someone answers "ABQ Elite Solutions" , you have the right number. Set up an appointment to talk with Adam.

Business Leads:

Tractor Supply Co. putting up a new building @ 2nd NW & Ranchitos
Utility Trailer Sales putting up a new building off I-40 West of town
- Lionel Specter—ZEON Signs

Reciprocity:

None written down today

◆ Please note that there will not be a meeting on May 29th because of the Memorial Day Holiday.

- ◆ Four members of our Board of Directors have terms that will expire at the end of June. We will soon be electing replacements for those Directors. If you would like to nominate someone for one of the positions, please contact Rick Reese—blueristra@yahoo.com, Executive Director Kevin, or President Soren, as soon as possible.
- ◆ First announcement of a potential new member:
 - Express Employment Professionals
 - Representative: Barry Porter
 - Category: Staffing / Employment
 - Sponsors: Kevin Lorenzen / Steven Grant

If you have an objection to this company becoming a member, or if you have information that you feel should be considered during the review process, please contact Membership Committee Chairman, Jack Zipper (jdzipper@comcast.net or 505-259-5959) as soon as possible.
- ◆ This year's Summer Bash will be Saturday, July 14th at the home of Phil and Theresa Houser. The Bash Committee would like some assistance in putting on the event. Being a part of that committee is a great way to get to know other members... and that committee has a reputation of having great fun while putting on a memorable event. If you are interested in helping out, contact one of the Committee Chairmen, Pat Maloy (505-263-3737) or Dan Mowery (505-480-8526). Spouse participation is encouraged as well.
- ◆ Mark your Fall calendar for Saturday, October 13th. EAGA will again sponsor a tent at the Balloon Fiesta. Members and their spouse will have an opportunity for front row seats to certain Fiesta events. More details will be provided later.

Badge Board Greeters

May 29th	No Meeting—Memorial Day Holiday
June 5th	John Mead—John Thomas Jewelers
June 12th	Paul Jew—Moji Studios
June 19th	Mark Tobiassen—Action Coach Business Coaching
June 26th	Kit Turpin—HUB Insurance

Upcoming Speakers

May 29th	No Meeting—Memorial Day Holiday
June 5th	Tim Simms—Territorial Scaffolding
June 12th	Pat Wallace—NM Solar Group
June 19th	Kit Turpin—HUB International
June 26th	Mark Tobiassen—Action Coach Business Coaching

Contact information for Executive Director: Kevin Lorenzen
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