

THE VIEWPOINT

with Debra Cockrell

Estate planning and succession planning are arduous topics to discuss, but when tragedy strikes a family and there are no estate plans set in place, the mental and financial toll of arranging plans adds to an already stressful time for family members. This makes it important to have a plan in place before you think you may need it—a point that Debra Cockrell makes sure to emphasize.

Deb and her family run an Angus operation in Northern California, along with a guest lodging venture, where visitors can stay in lodges on Cockrell Ranch. It is clear the family is closeknit, with four kids involved in the industry in some capacity and partners in the ranch operation.

“There are no secrets on how things are going to be done or set up,” Deb told WLJ. “We’re big on having family meetings, which I think is a very crucial thing. Don’t let things build up and fester. Get it on the table, discuss it out.”

Tragically, the patriarch of the family, Will Cockrell was diagnosed with pancreatic cancer at the end of 2019 and passed away in the spring of 2022. “When Will was diagnosed with pancreatic cancer, it was a hard blow to the family,” she said. “We had lost a dear friend, Andy Peek, to the same thing. So, ultimately, even though we had hope through the whole journey, we basically knew the outcome of what was going to happen.”

Because of this, Deb went on the defense of making sure the family trust—which had been in place for years—was set up and that everything that needed to be prepared was done correctly. The key to estate planning, she said, is to have wills and/or a trust. This leads to a very manageable distribution of their assets at the time of their death, and their wishes, she said.

“Talk about everything,” Deb said. “Get everything out that you want, your wishes, if you have time. I call this whole thing that happened to us ‘When the unexpected happens,’” she said.

“I think everyone should really look deep into their hearts,” Deb added. “You never know when you may have an illness or a sickness. Sometimes it gives you a little time, but if you have a horrible accident happen and it takes someone right away, you need to be prepared for that one in advance. You never know what’s going to happen.”

She stressed the importance of having a health directive in place and setting up designated beneficiaries or payable-on-death (POD) beneficiaries. Upon death, bank accounts will be paid out to the POD designee without the need for court documents or probate—only a death certificate will be needed. A health directive



Courtesy photo
Pictured here, the Cockrell family. From left to right in the back row: Weston, Will and Wayne, and from left to right in the front row: Cassie, Debra and Ashley.

contains your wishes for the end of your life and who you declare to make any final health decisions for you.

Deb also noted the difficulty of working with the Department of Motor Vehicles (DMV) and taking someone’s name off documents. Because of this difficulty, most of their vehicles were registered under “Will or Debra,” which allowed either of them to make decisions. However, Deb emphasized the importance of using “or” versus “and,” as using “and” would require both individuals to be present. After Will passed away, Deb took all of the vehicle registrations and had transfer-on-death (TOD) designations put on all of them, which allows for multiple names to be added.

She also noted that after someone’s death, all banks, investment companies, life insurance companies, credit card companies and government agencies will require a death certificate. Most places will require original copies, she said, so plan to get more originals than you think you will need. In addition, plan to keep an extra certificate or two on hand in a secure location.

Deb emphasized that every family is different and will find themselves going through different processes upon a family member’s death. Because every family has different finances, operations, assets and various other things, and each state varies with its regulations, she advised families to work with an estate attorney and accountant. Her experience is her own and will vary from other peoples’ experiences.

However, she added that involving the younger generation in succession and estate planning is important so they are better prepared when a family member and then the surviving spouse pass away.

“That’s why this has all been so hard on me,” she said, “Because I’m preparing not just all that I have to do to get through all the estate stuff,

but I’m also preparing a big binder for my kids with everything that they’re going to need for me when I pass away,” she said.

The family also had to go through appraisals and had an appraisal done not only on the land but also on all of the improvements: wells, buildings, fences, pipelines and equipment. It was a big undertaking, but it all went toward the step up in basis. “Basically, you’re starting over, and it gives you a huge depreciable tax advantage,” Deb said.

It is important to get an independent valuation of the assets that will withstand examination by the IRS and state taxing authorities. Also, separate evaluations are important because assets other than land are depreciable and will provide major income tax deductions through depreciation expenses over the lives of the assets.

Publicly traded securities should also be valued after a death to establish a new basis to be used in computing gains and losses on subsequent sales, she added.

Deb recommends for every producer, regardless of their age or health status, to make sure they have a will in place, at the absolute minimum. But get ahead on estate and succession planning, and make changes or updates as tax laws change.

“A lot of people can’t even fathom talking about death,” Deb concluded. “But it is one of the bravest things and the most loving thing you can do for your family.” Deb felt that if sharing her experience helped even one family to be more prepared, then she had made a difference.

— Anna Miller, WLJ managing editor

(Editor’s note: The information in this article is not intended to constitute legal advice. All information is for general informational purposes only.)