DOUBLING A DEATH BENEFIT FOR THE SAME PREMIUM AMOUNT

THOROUGHBRED
LIFE INSURANCE STRATEGIES

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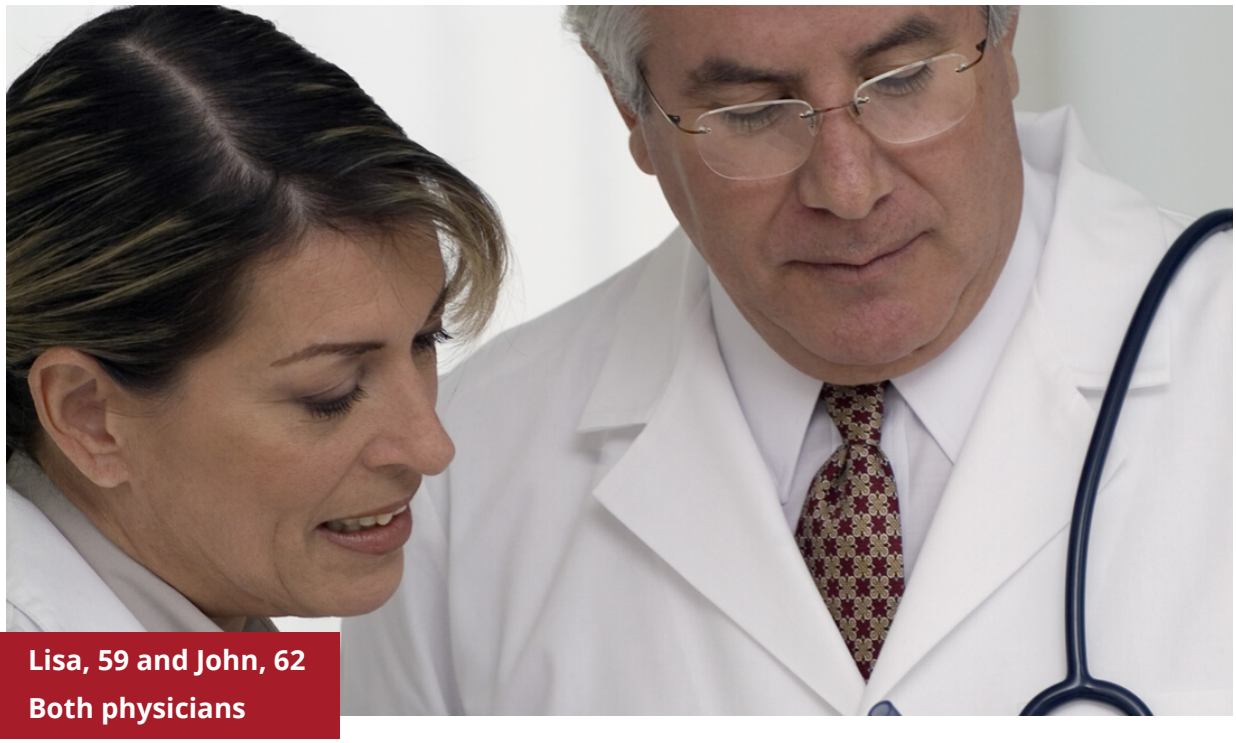

Lisa, 59 and John, 62
Both physicians

THE SITUATION

John is 62 years old, while his wife, Lisa, is 59. They are both physicians. They had recently stopped paying premiums on their life insurance policies, which had reached a position of being self-supporting. The older policies were performing well, so Thoroughbred advised them to leave them intact.

Each Owned: $3.4 million of permanent life insurance which no longer required the premiums at $18,000.00 and $17,000.00 respectively.

Net Worth: $18 million

THE OBJECTIVE

The clients wanted to increase their overall insurances as a means of paying any estate taxes that would come due upon both of their deaths.

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THE SOLUTION

Product: Second-to-die survivorship policy

Approach to Premium: Apply the combined $35,000.00 annual premiums that had become available from the other insurance policies.

Features: Long-Term Care benefit

Death Benefit: This proposed plan was able to increase coverage from a combined $6.8 million to $9.2 million.

ABOVE & BEYOND

To move the life insurance benefits out of Lisa and John's estates, our firm proposed the ownership of all three policies to be placed in an irrevocable life insurance trust.

Their objective was never the cash value, rather a higher death benefit to cover the estate taxes, and leave a larger estate for their heirs.

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