

Example One

Age: 77	Cash Surrender Value: \$66,070
Sex: Male	<b>Settlement Received: \$1,000,000</b>
Policy Type	Universal Life
Face Amount	\$2,250,000
Annual Cost	\$44,000

The majority shareholder of a closely held company retired and had no further need for personal life insurance. The settlement proceeds were used to increase his diversified portfolio of stocks and bonds.

Example Two

Age: 77	Cash Surrender Value: \$108,154	
Sex: Male	<b>Settlement Received: \$140,000</b>	
	<b>Before</b>	<b>After</b>
Policy Type	Universal Life	Universal Life
Face Amount	\$1,500,000	\$1,500,000
Annual Cost	\$29,028	\$27,000

A company was unhappy with the non-guaranteed performance of an existing buy-sell policy covering their CEO. A new, lower-costing policy with improved guarantees was acquired and the company kept the settlement proceeds to take advantage of an immediate business opportunity.

Example Three

Age: 88	Cash Surrender Value: \$93,198	
Sex: Male	<b>Settlement Received: \$260,000</b>	
	<b>Before</b>	<b>After</b>
Policy Type	Universal Life	Universal Life
Face Amount	\$1,000,000	\$1,000,000
Annual Cost	\$82,000	\$35,808

A healthy, full-time CEO of a thriving company was interested in reducing his gifting outlay for the life insurance an irrevocable trust had purchased to help offset his anticipated estate taxes. The trustee used the settlement proceeds purchase a single premium immediate annuity which offset the cost of a new replacement policy. As a result, the insured grantor's annual gifting outlay was reduced by over 56%.

Example Four

Age: 77	Cash Surrender Value: \$0
Sex: Male	<b>Settlement Received: \$335,000</b>
Policy Type	Universal Life
Face Amount	\$1,500,000
Annual Cost	\$38,004

A co-stockholder retired after his company was sold. The existing buy-sell policy was made available to him for personal coverage. Since the cost of maintaining the policy was prohibitive, he sold it instead and invested the proceeds to supplement his retirement income.