

# Benefits Resource Group

## Case Study: Estate Planning



### Estate Planning

#### Background

- A 50 year old husband and wife have an estate worth \$15,000,000.
- The husband owns and runs this company that makes up approximately 80% of their net worth.
- They have two children.

#### Issues

- The life insurance owned by the company will be subject to estate tax at his wife's death along with the value of the company.
- He has no vehicle (irrevocable trust) to pass estate to their kids without estate taxation. Currently, they only have an outdated will.
- His company is projected to grow substantially over the next 20 years which magnifies that potential estate tax liability.
- The existing term life insurance is set to expire in 3 years.

#### Solution

- Review the clients existing life insurance and estate objectives.
- Educate the client on estate planning basics.
- Qualify the client for life insurance and implement an estate plan utilizing a qualified estate planning attorney.

#### Results

- Estate tax savings of over \$15,000,000 in 20 years.
- Immediate estate tax savings of approximately \$1,750,000.
- Saved over \$300,000 with life expectancy in life insurance premium with preferred rates.
- Provided his wife with sufficient liquid assets to maintain her standard of living if he passes away first.