

ADVANCED PLANNING CENTER

APPRAISAL CASE STUDY

Our advisor has two families that he is working with. Both families have several policies on both husband and wife and have had them for over 10 years. The cash values on these policies are greater than \$200,000.

Taking one man's family as an example: The existing two policies on the husband were issued sixteen and twelve years ago. The policies are being funded at about \$13,000 a year and are participating whole life contracts. They are performing as expected and would generally be considered as a conservative low risk method of funding life insurance protection. The expected dividends are acting as the mechanism for the client to participate in the whole life carriers general portfolio. This will allow the policy to adjust to the economy as interest rates and other events impact the whole life carrier's investments. The client would need to do very little monitoring as the insurance carrier is acting as the intermediary between the client and the return of the life insurance contract. *The offsetting impact is the client is taking relatively little risk and may be receiving a lower return.*

In discussion with our advisor, the client likes the relative performance of the current contracts, is not anticipating using the contracts for any income purposes and is more focused on the need for a death benefit for generational planning for the children and grandchildren.

Options:

As client's health is in excellent condition, Pinnacle has quoted 2nd best underwriting class.

ORIGINAL POLICY

	Present Client at age 45	30 Years Later Client at age 75
Death Benefit	\$1,200,000	\$2,200,000
Cash Value	\$200,000	\$1,500,000

OUR RECOMMENDATIONS

	Option 1: Guaranteed to Age 78		Option 2: Guaranteed for Life	
	Present Client at age 45	30 Years Later Client at age 75	Present Client at age 45	30 Years Later Client at age 75
Death Benefit	\$4,500,000	\$4,500,000	\$2,200,000	\$2,200,000
Cash Value	\$105,000	\$1,000,000	\$140,000	\$971,000

ADDITIONAL OBSERVATIONS

- Immediate improvement in death benefit
- Projected death benefits greater than current contracts projection
- Guaranteed for life on death benefit available
- Compensation for advisor
- Discussion with advisor yields estate currently greater than \$10,000,000 and additional strategies are being explored