



# Life Insurance Case Study

## Overview

A 60 year old male client in good health was looking to secure \$10,000,000 of insurance for estate planning needs. The client's net worth will be increasing substantially over the next 2-3 years as a result of selling his business. The client did not want to pay the annual full pay premium of ~\$150,000 for permanent coverage until his business was sold and was contemplating looking at term coverage (~\$30,000) with the option to convert down the road.

## Strategy

Using an innovative strategy – BSMG was able to reduce the premium for the first 3 years of the policy down to \$46,000 by utilizing a step premium design. The premium starting in year 4 was roughly \$180,000 which was higher than the initial level pay, but that did not influence the client's decision to move forward with a fully guaranteed permanent product with the upside potential for cash value growth.

## Result

The producer and client loved the idea of the step design as it locked the client into a very competitively priced product, kept the premium low during the early years which allowed the client the flexibility/time needed to wait for the additional cash flow from the sale of his business. The client also liked the potential for cash growth within the product. The target premium was over \$200,000 (rolling target)

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