

Leveraged Planning[®]: ESTATE PLANNING

BUY-SELL | ESTATE PLANNING | INCOME PLANNING | WEALTH CREATION | BUSINESS PLANNING



THE SITUATION: Susan Collins, 62

- Using Leveraged Planning solutions for Individuals, Mrs. Collins was able to fully fund her estate planning needs and provide her with the peace of mind she was seeking.

Mrs. Collins had a gross total estate value slightly in excess of \$50 million. She was looking for a way to bequest at least \$10 million to each of her three children (\$30 million total) – with the balance going into a charitable trust for division among several different organizations.

THE SOLUTION: Leveraged Planning[®]

The estate tax for each of the three individual bequests to her children was anticipated to be \$3.3 million (\$9.9 million in total). Since Mrs. Collins was committed to providing the maximum amount possible to both her children and the charitable organizations she had supported for many years, she needed a solution that could help to alleviate the tax burden on her estate.

After looking at a range of options provided by her financial planner, Mrs. Collins settled on a traditional premium financing arrangement from GFD's Leveraged Planning Solutions for Individuals offering.

Mrs. Collins' financial planner and family attorney worked with her to establish an ILIT that could act as the funding source and servicer for the loan arrangement that GFD facilitated with GFD's lending affiliate. GFD helped Mrs. Collins' financial team select an insurance product that was illustrated to provide a cash value upon her death that was sufficient to cover the expected tax costs that would be incurred during the transfer of her estate.

The total loan amount of \$2,879,664 was used to fund 4 annual premium payments of \$719,916 each. The loan principal would be paid off by a distribution from the estate.

The policy was fully funded within 4 years and the estate of Mrs. Collins was prepared to meet its tax obligations thanks to a traditional premium finance offering from GFD.



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- All clients must confer with their financial and tax advisors on deductibility or tax treatment matters. GFD does not provide tax advice.
- The client chose to forego a guaranteed death benefit in this policy.
- The client's loan utilized a floating interest rate based on the 1 year LIBOR rate plus spread.
- Policy growth assumed as illustrated.
- Results will vary depending on interest rates and policy crediting rates. This is based on a hypothetical client, plan specifics are based on actual loan and insurance policy illustrations.

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