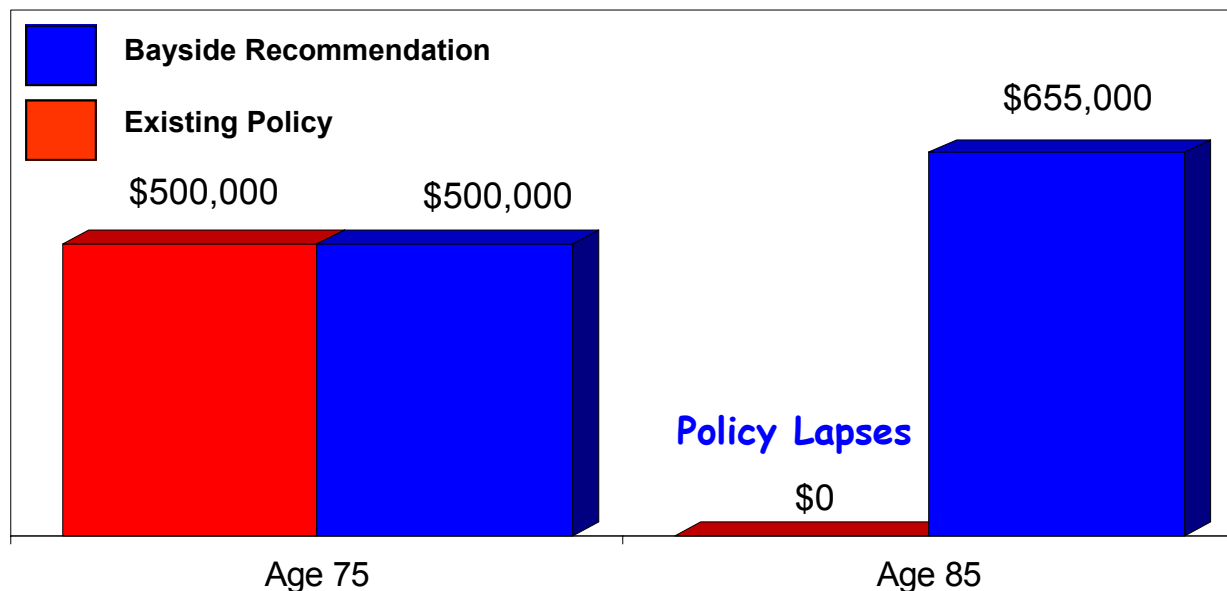


Universal Insurance

Client Profile

- Client runs a Agro Service Company and Cattle Ranch.
- Business is owned by himself and his wife, only he is active in the business.
- Business may continue upon the death of owner, one child is active in the main company.
- Current total net worth \$5 Million⁺.

Tax Free Death Benefit



The Bayside Report showed that the existing policy would lapse if the insurance company charged the guaranteed insurance cost.

The client who was 75 at the time also wanted to stop paying the annual premium of \$26,000. Even though the policy had been in force for over 15 years the policy would lapse without value in just 8 years.

Bayside Associates Recommendation

Lowered internal Life Insurance cost - reduced cost by 63% (cost per thousand) issued at standard rates even though the original policy was issued with an additional charge (15 years earlier).

Used existing life insurance policy cash value to purchase life annuity.

The annuity provided an additional \$11,200 per year of tax free income.

We are in the process of looking at total estate plan, to reduce risk and maximize tax-free estate transfers.

Summary

- *There are two big differences 1. the newly restructured policy will not lapse 2. the cash-flow.*
- *The difference in cash-flow is quite substantial—\$37,400. The client will no longer have to pay the annual premium of over \$26,000 but instead will gain \$11,000 of taxed paid income.*