

# Advisors' Partnership with Prudential and GA Leads to \$30 Million Life Insurance Sale

## The Background

Two financial advisor partners [from Morgan Stanley] have planning relationships with two brothers who are in their late 50s and co-owners of a very successful manufacturing business in the Midwest. The families decided that it would be best to sell their business rather than pass it down to their adult children.

## An Unforeseen Tax Burden

The brothers successfully sold the business, which created a \$30 million estate for each brother—and raised both state and federal estate tax concerns for the brothers and their families.

The financial advisors had long-term relationships with the clients, which led to the opportunity to work with them in this important financial transition in their lives. The advisors provided top-notch financial planning services for the brothers, but the challenge was that they did not have expertise in large estate tax planning cases with life insurance strategies.

In order to create the best strategy for these clients, the advisors worked with their General Agency partners, along with their Prudential RSVP and Prudential's Advanced Sales team. They worked together to develop options for the case, including using Prudential's estate tax calculator to define the estate tax need in the process.

Together as a team, they realized that the brothers had a liquidity issue, since they had so much tied up in their other business properties.

## The Life Insurance Strategy and Solution

The solution was, a \$15 million survivorship life insurance policy was put in place for each family member. These were placed in Irrevocable Life Insurance Trusts (ILITs) to address the estate tax needs and strengthen the financial futures of the brothers and their families.

The product solution was PruLife® SVUL Protector, funded as a single pay with \$2.7 million and \$3.6 million in premium for the brothers, with a no-lapse guarantee design to age 100.

After coverage in the new ILIT had been secured, the last steps were to cancel the buy-sell agreement and the life insurance policies the brothers had in place for the business, and to use the surrendered cash values as final premium funding for the new policies.

## Lessons Learned

The financial advisors in this story say the key to their success was the relationship they built over time with the clients and the relationship they cultivated with Prudential and their General Agency partners. They knew their expertise in estate planning with life insurance was limited, so they worked with their partners to create a complete wealth planning strategy for the clients.

Remember, you don't have to be an expert to sell life insurance. You just need a great partner to work with. Contact your Prudential wholesaler today to identify the next big opportunity in your book of business.

This case study summarizes a specific transaction and may not be appropriate for all investors.

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR CONSUMER USE.

1061639-00001-00 Ed. 07/2022

PruLife® SVUL Protector is issued by Pruco Life Insurance Company except in New York, where it is issued by Pruco Life Insurance Company of New Jersey and offered through Pruco Securities, LLC (member SIPC). All are Prudential Financial companies located in Newark, NJ.

This material is being provided for informational or educational purposes only and does not take into account the investment objectives or financial situation of any clients or prospective clients. The information is not intended as investment advice and is not a recommendation about managing or investing a client's retirement savings. Clients seeking information regarding their particular investment needs should contact a financial professional.

© 2022 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo, and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.