

# SAGE Solutions

## Your Mayo Clinic Estate Plan / Life Insurance Review

If you're like me, as I approach 60, its time for a truly thorough health check-up. I want to go to the best. I go to Mayo.

Our clients' families' relationships and the family business which they have worked so hard to build are extremely important to them. Routinely, business owners come to our team for a thorough review of their Estate Plan, Buy-Sell Agreements, and Funding mechanisms. Last year, our team did over 900 such reviews, most with dramatic findings. Here's just one random example:

Sage Advisors reviewed a bank owner's estate plan in 2009. He had left all of his bank stock to his wife, and to his four children equally, should his wife die before him; his wife's estate had the same provision.

- No succession plan had been set up
- No Buy-Sell Agreement existed with bank directors
- One of his children was going through a divorce
- The banker had a medical history of cancer

- The banker's wife's family had a history of Alzheimer's disease
- The funding of the plan was insufficiently liquid to avoid sale of assets in the event of death of the banker and his wife

Sage Advisors proceeded with a highly private, confidential process and made numerous recommendations to refine and expand the estate plan documentation, and trustee and beneficiary designations. We worked closely with a regional accomplished estate planning attorney and put out requests for proposals to several insurance brokers to fund the liquidity needs of the family estate. The life insurance funding had not been reviewed by the broker who placed it nor updated since it was implemented; our client preferred not to divulge his personal information to a local life insurance broker nor did he relish saying No to his local broker if his bid was non-competitive with a strident competitive bidding process. Our life insurance funding results:

### Life Insurance Funding 68-Year Old Bank Owner Three Cancer Illnesses 10-Years Ago

	Old Coverage	New Coverage	Improvements
Policy	Whole Life	Universal Life	
Death Benefit	\$1,400,000	\$1,400,000	No Change
Fully Guaranteed?	No	Yes	<b>Fully Guaranteed</b>
Annual Premium	\$49,000	\$0	<b>\$49,000/Year Cash Flow</b>
		Standard Rates	

Sage Advisors is endorsed by ICBA Financial Services, Member FINRA/SIPC, to provide high-level, confidential estate planning and succession planning for community bank owners. Sage offers this trust, buy-sell agreement, and funding service without charge to ICBA member bank owners. If you would like to have a confidential conversation with a regional Sage Advisors professional, please contact Lisa Carson, Vice President, Client Relations at [lcarson@sagehilladvisory.com](mailto:lcarson@sagehilladvisory.com).

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