

PROFORMEX CASE STUDY:

Kohrman, Jackson & Krantz

Proformex identified alternatives for \$5M policy that required 400% premium increase



THE CHALLENGE

“Without Proformex’s help, we would have never known about the exorbitant premium increase required to keep the policy in force - Proformex helped us identify all our options so that we didn’t have to surrender the policy for no cash value.”

Jon Pinney, Managing member of Kohrman, Jackson & Krantz

A major Cleveland Foundation was gifted a \$5M life insurance policy. After taking ownership of the policy, they became responsible for paying the premiums. The Proformex in force monitoring system identified that the current premium structure would no longer support the policy. To keep the policy in force, the foundation would need to increase the premium payments by 400 percent. That premium increase equated to \$325,000, an unbudgeted payment adjustment for the hospital.



THE SOLUTION

Kohrman Jackson & Krantz is a law firm with offices in Cleveland and Columbus, KJK serves companies of all sizes and sectors, including Fortune 500 corporations, mid-market companies, small businesses and start-ups, as well as high net-worth individuals, and municipalities. Our team of 40 attorneys has experience in such areas as corporate law, civil litigation, labor and employment issues, construction and real estate, wealth and estate planning, and more.

Proformex helped them to identify alternative options for the policy. First, the hospital could reduce the death benefit by \$2.5M and continue paying the same premium amount. The second option was that the policy could be sold as it qualified as a potential life settlement candidate. Ultimately, the foundation opted to sell the policy, netting them a current \$2.5M tax-free gift and saved them hundreds of thousands of dollars in future premium payments.

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