

PROFORMEX CASE STUDY

The TOLI Group

35 years' worth of coverage recovered in \$2.5M policy



THE CHALLENGE



Protecting tomorrow's tomorrow.

The independent life insurance agency The TOLI Group was founded in 2009, almost 10 years after the founder started as a Mass Mutual life insurance agent. After spending years in the industry, he decided to focus primarily on trust owned life insurance and became very familiar with the needs of professional and non-professional trustees as they managed life insurance as an asset.

His philosophy of periodic monitoring of the most important parts of a life insurance policy were an important foundation of his agency and he soon began to create a software-based product which could automate parts of the process and provide clients with a documented annual policy review. The TOLI Vault, which has now evolved into Proformex, was born.

A 60-year-old policyowner was paying four premiums into a \$2.5M permanent variable life insurance policy with guarantees. When he paid the third of the four premiums, the carrier did not apply those funds to his account, which in turn caused a significant loss of coverage and guarantees in the policy. The policy, which was supposed to run to age until 120, was now only on track to 90.



THE SOLUTION

One month after the policy anniversary, Proformex received information that the lapse age had significantly changed and an alert had been emailed to the agent. The agent called the carrier to confirm that this was accurate, and was informed that the client's premium had not been paid. He immediately called the client and learned he had, in fact, made the premium payment.

After realizing this discrepancy, the agent called the carrier to determine what went wrong. He discovered that the company never actually applied the premiums to the policy and that the money was in escrow. The carrier immediately remedied the situation by applying the funds to the policy appropriately and even paying back the lost interest.

As a result, the policy is performing as expected again and is well on track to age 120 years as the client expects. The client was very pleased that Proformex and the agent were able to proactively identify this error and correct it within a matter of weeks. The carrier was also impressed, because of the variable nature of the product the longer that money was in escrow the larger cost there would have been to fix the problem.

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