



# Protecting a Family Business for the Next Generation

## About the Client

Margaret is the third-generation owner of a manufacturing business. Since assuming control, she has grown the value of the business by 150%. As the sole owner of her company, she intends to lead the business for at least another decade.

## Goals

- Pass her business interests and the company's value directly to her children
- Provide liquidity to fund the estate tax liability to ensure continuity of the family business
- Provide estate equalization among all children regardless of their future involvement in the business.

## Primary Considerations

- Full marital deduction is not being utilized and therefore the full business value is taxable at her death
- Because business comprised over 75% of total estate assets, overall estate was not equalized—making it difficult to share fairly and equally

## Our Strategy

After extensive planning, which involved Margaret, the Coyle team, and Margaret's long-standing advisors, a plan was executed to acquire an individual insurance portfolio in order to protect the value of the business

- Portion of business asset was transferred to Family Trust, providing annual cash flow to fund life insurance
- As company value continues to grow, through annual estate and insurance reviews, decision has been made to acquire additional coverage to protect increase asset value

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