



Diversifying a Real Estate Portfolio

About the Client

Thomas and Joan are in their late 60s. They had worked together for most of their lives, building a small real estate development company into a regional leader; acquiring a significant commercial real estate portfolio along the way. They were now majority, but not sole owners of their established business. Client had previously purchased insurance to provide liquidity for their real estate holdings.

Goals

- Perpetuate business and pass interests to children by providing liquidity to fund estate tax liability
- Review existing insurance program to evaluate performance and suitability based on estate value

Primary Considerations

- The existing insurance portfolio was not sufficient to meet current liquidity needs
- Provide immediate liquidity to children to sustain business operations
- Value of the business had nearly quadrupled in the last 25 years

Our Strategy

After being engaged to work with the client and their planning network, Coyle restructured the existing insurance portfolio.

- Restructuring reduced ongoing costs
- Freed up cash flow was used towards the acquisition of additional Survivorship coverage, thus improving long-term liquidity.
- Sale of Real Estate interest to a Defective Trust was used to provide funding

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