

PROFORMEX CASE STUDY:

The Ohio University Foundation

Premiums to increase 4x due to carrier financial decline

PROFORMEX

InForce Policy Management



THE CHALLENGE

"Without Proformex taking a second look at this policy, we would not have known of these issues based on information we received from the carrier and agent. Due to their age, we may not have had any options at all if we would not have found out about this until the last minute. Proformex gave us the right answer and the time to make a good decision for the family and maximize their legacy within the foundation"

Kelli Kotowski, Executive Director of Development,
Planned Giving at Ohio University..

The policyowners, ages 96 and 90, were told by their agent that their \$250,000 life insurance policy would remain inforce to age 100, paying their current premium. The carrier had been spun off recently, and as a result the insured had been mistakenly advised by their agent. The premium payment necessary to keep the coverage inforce to age 100 was nearly four times higher than what the owner was currently paying.



THE SOLUTION



The Ohio University Foundation

Established in 1945 by President John C. Baker, The Ohio University Foundation serves as the fundraising arm of The Ohio University. Gifts from generous donors have provided for scholarships and financial aid packages, research and faculty development, capital expansion and renovations, technology upgrades and lab equipment, library acquisitions, and vital unrestricted support that has allowed Ohio University to meet unexpected challenges.

Proformex identified that the lapse age of the policy was estimated to end 7 years earlier than the agent presented and the company ratings had a significant reduction due to the spin off. The policyowner was sent a coverage assessment report by Proformex notifying them of the existing issues and the different options that were available to them, such as reducing the face amount or opting for a life settlement. None of these options were addressed by the agent, so without Proformex intervening, the insured would not have even been made aware of both the issue and the possible resolutions. Ultimately, the insured decided to keep the policy and amend the premium structure.

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