**Example – Case 2: Insurance Policy Buyout**

**Brant Hickey & Associates, Inc.**

**1-800-364-6488**

[www.branthickey.com](http://www.branthickey.com)



Environmental Remediation/Construction Defect loss that may exceed policy limits over time.

$5,000,000 policy had been eroded to $4,225,000. Expected remediation, construction and testing future needs were 25+ years.

Insurer structured $4.0M to provide 22 years of payments at $271,500 per. Total payout was $5,973,000. Benefits were received on a tax-deferred basis.

|  |  |  |
| --- | --- | --- |
| Year | Annual Benefit | Cumulative Total |
| 20xx | 271,500 | 271,500 |
|  | 271,500 | 543,000 |
|  | 271,500 | 814,500 |
|  | 271,500 | 1,086,000 |
|  | 271,500 | 1,357,500 |
|  | 271,500 | 1,629,000 |
|  | 271,500 | 1,900,500 |
|  | 271,500 | 2,172,000 |
|  | 271,500 | 2,443,500 |
|  | 271,500 | 2,715,000 |
|  | 271,500 | 2,986,500 |
|  | 271,500 | 3,258,000 |
|  | 271,500 | 3,529,500 |
|  | 271,500 | 3,801,000 |
|  | 271,500 | 4,072,500 |
|  | 271,500 | 4,344,000 |
|  | 271,500 | 4,615,500 |
|  | 271,500 | 4,887,000 |
|  | 271,500 | 5,158,500 |
|  | 271,500 | 5,430,000 |
|  | 271,500 | 5,701,500 |
|  | 271,500 | 5,973,000 |

