



HOW PROACTIVE POLICY MANAGEMENT SAVED A \$4 MILLION BENEFIT

During a routine onboarding review, ITM's tolimonitor team uncovered a critical oversight in a \$4 million GSUL policy that was on track to terminate decades early due to a missed face amount reduction. By identifying the error, working with the insurer, and implementing corrections, ITM preserved the client's lifetime guarantees and safeguarded the policyholder's legacy.

BACKGROUND:

A trust-owned Guaranteed Survivorship Universal Life (GSUL) policy was issued in 2017 via a 1035 Exchange and funded with a single premium. The grantor believed the policy was guaranteed for life and required no further attention. This policy was one of several ILITs that came under ITM's care when their trustee engaged us to provide ongoing oversight through tolimonitor, our trust-owned life insurance management solution. During the routine onboarding review, our team discovered the policy was projected to lapse by age 83 — not carry lifetime coverage as expected.

Tolimonitor is designed to give grantors, trustees, and advisors clear visibility into policy performance through proactive reviews and continuous monitoring, and in this case, it quickly uncovered a critical risk. What was thought to be a “paid-up-for-life” asset was actually drifting toward early termination, putting millions of dollars at risk.

THE CHALLENGE:

Our review revealed that the original as-sold illustration included a crucial step: a face-amount reduction in the second year of the policy. This adjustment was necessary to lock in the lifetime guarantees, but it was never executed. Neither the trustee nor the agent followed up, and the missing step was buried in the paper trail for six years. Without ITM's intervention, the policyholder's \$4 million benefit would have quietly evaporated, leaving the trust exposed to a devastating loss.

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THE RESULTS:

Leveraging tolimonitor's structured review process, ITM's remediation team quickly tracked down the original 2017 illustration to confirm the intended structure and escalated the issue with both the agent of record and the insurer's home office. A correction plan was initiated to execute the missed face-amount reduction and restore the policy's lifetime guarantees. Thanks to the proactive oversight provided through tolimonitor, the grantor's \$4 million benefit is now back on track, and the trust's legacy has been preserved. This case underscores the critical importance of continuous monitoring — without it, even “guaranteed” policies can fail.

LET TOLIMONITOR WORK FOR YOU:

This case highlights how even a well-structured trust-owned life insurance policy can unravel without expert oversight. With ITM's tolimonitor solution, trustees gain access to comprehensive tools and services that streamline policy management, reduce administrative burdens, and mitigate risks.

From monitoring policy performance to ensuring that policy structures are implemented as intended, tolimonitor helps trustees avoid costly errors and provides expert guidance when remediation is necessary. In addition, our solution supports clients with in-depth policy reviews, annual reporting, compliance tracking, and proactive alerts that identify issues before they escalate.

If you are managing Irrevocable Life Insurance Trusts and need expert support with this complicated asset, request a consultation to learn how tolimonitor can enhance your trust management process.