Case Study: Market Dip Creates Strategic Gifting and Legacy Planning Opportunity
Turning Volatility into a Legacy Win

Background

Periods of market volatility often create windows of opportunity for thoughtful wealth transfer planning. In one recent case, CBS Brokerage partnered with an advisor whose client wanted to make a substantial gift to the next generation — but sought to do it in a way that added structure, protection, and long-term impact.

The Strategy

The client intended to gift $5 million to an irrevocable trust for their children. Amid a temporary decline in market value, the client was able to contribute $5.88 million worth of stock — effectively gifting 17.5% more ownership than originally planned, while still using only $5 million of their lifetime exemption.

CBS Brokerage helped design a plan where the trust used the income generated from the gifted assets to fund a $6 million permanent life insurance policy. The policy was fully owned by the trust and kept outside of the client's taxable estate.

The Outcome

- More wealth transferred while valuations were temporarily low
- The rebound, asset growth and future appreciation captured outside the estate
- Liquidity and tax-free leverage through trust-owned life insurance
- A $6 million death benefit available to beneficiaries — with no income or estate tax

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Why It Matters

This case underscores how market volatility, when approached strategically, can enhance the impact of gifting and legacy planning. By combining discounted asset transfers with trust-owned life insurance, families can maximize the value of their gifts, minimize taxes, and ensure liquidity for future generations. It's a prime example of how temporary uncertainty can lead to permanent advantage.

The Lesson

The most successful legacy plans are often executed when others hesitate. Whether in today's environment or during the next period of volatility, acting decisively can create long-term benefits. Timing matters — and opportunities like this are best captured in collaboration with experienced professionals.

CBS Brokerage partners with advisors to unlock smarter wealth transfer strategies — reach out to learn more.