

PROFORMEX CASE STUDY:

The Cleveland Foundation

\$5M life insurance policy saved from lapse



THE CHALLENGE

“Proformex gives us peace of mind that this gift will remain intact,” from Janet Havener, financial advisor of the donor.

The Cleveland Foundation, an Ohio-based organization, was gifted a \$5 million life insurance policy. They never received a premium notice from the carrier, so they assumed they were not responsible for paying the premium since it was a donation. Missing premium payments puts policies at risk of lapsing.



THE SOLUTION

The Cleveland Foundation is a community foundation based in Cleveland, Ohio, United States. Established in 1914, it is the world's oldest community foundation. As of December 2011, it is the fourth-largest community foundation in the United States, with assets of \$1.62 billion and annual grants of around \$84 million.

The Cleveland Foundation's mission is to enhance the lives of all residents of Greater Cleveland, now and for generations to come, by working together with our donors to build community endowment, address needs through grantmaking, and provide leadership on key community issues.

Fortunately, this policy was being monitored and managed by Proformex. When the premium payment was due, Proformex automatically generated a reminder and sent it to the Foundation. Surprised to see that they were responsible to pay the premium, the Foundation called the carrier to find out that the carrier does not send premium notices and that it is the insured's responsibility to keep track of when the premiums are due. Without the auto-alert from Proformex, the Foundation would not have paid the premium and the policy would have lapsed resulting in the loss of donation. Today, the \$5 million life insurance policy remains in force.

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