GUARDIAN® TAX CONSULTANTS

MSO Platform™
Producer Edition

For insurance producers and wealth advisors

MSO Case Studies
How the MSO helped fund the insurance

Ten engagements and one modeled example, one page each: the planning need, the insurance written, who owned and paid for it, and how the cash moved.

A properly structured MSO can help a business reduce tax and leave more cash inside the enterprise. That cash can help pay for the planning and the cost of life insurance premiums.

October 2026

Companion to GTC™ continuing-education sessions · Producer Case Study Packet v3.3

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The cases

Sanitized profiles of real GTC engagements, one page each, written for the producer or advisor on the case: the planning need, the insurance written, who owned and paid for it, and how the cash moved. The one-sheet and a one-page explanation of the mechanics come first.

HOW TO USE THIS PACKET

Find the case that looks like a client of yours — by policy type below, or by industry — then send the fact pattern at **msoplatform.com/contact**. You get an email to book a time, or ask for a call.

THE ONE-SHEET AND HOW IT WORKS

3 **One-sheet**
How the MSO funds the insurance, the fact pattern, what to say, what happens next

4 **How it works**
The business, the fee, the MSO, the insurance · how the money flows · four ways the premium gets paid, including financed · clearest fits · listen for

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Every entry is linked. Figures are approximate and carried from the engagement files; cases 1–10 are sanitized profiles of real engagements; case 11 is a modeled example for the owner who has used up the exemption. Page numbers in the index are packet pages.

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FOR INSURANCE PRODUCERS AND WEALTH ADVISORS

A properly structured MSO can help a business reduce tax and leave more cash inside the enterprise. That cash can help pay for the planning and the cost of life insurance premiums.

HOW THE MSO FUNDS THE PLANNING AND THE INSURANCE

Operating business
pass-through · profit taxed at the owner's rate, up to 37%

→ *fee*

MSO · C corp
21% federal rate

→

Tax reduced = cash stays in the MSO
funds the planning and the premium

→ *you write it*

- Key person
- Buy-sell
- Estate-tax liquidity
- Split-dollar to a trust
- Premium finance
- Survivorship
- Life in a cash balance plan
- Executive retention / SERP

Federal rates only, illustrative; the fee must be reasonable for real services. Premiums are not deductible — the point is the rate on the dollars that pay them.

CLIENT FACT PATTERN · TWO OF THREE	YES	NO
Is it a privately held business? owner-managed — S corp, partnership, LLC	☐	☐
Roughly $3M or more of profit a year? profit, not revenue. Not sure of the number? Send it anyway	☐	☐
Three or fewer owners? one or two owners is the clearest fit	☐	☐

You do not need the client's tax return or an exact number. The best cases bring the CPA in early.

WHAT TO SAY

> "Mr. Owner, have you looked recently at tax planning for the business? There may be ways to reduce tax and leave more cash in the business to grow and protect it. We partner with a national firm — it might be worth a quick conversation to see whether tax could be reduced, and how much could stay in the business as cash."

Ask the question; GTC runs the analysis with the client's CPA. Nothing is promised until the feasibility study.

WHAT HAPPENS NEXT

1. **You send the client** — Fact pattern and your name. YOU
2. **You talk to GTC** — Book from the email, or ask for a call. You are the advisor on the case. YOU
3. **You check the fact pattern** — A quick call with the client. YOU
4. **You and GTC call the client** — One short call, together. YOU
5. **Discussion document** — For the owner and the CPA.
6. **Feasibility study** — Fee, structure, insurance design.
7. **MSO in place** — If the study supports it; the study sets the timing. YOU

SEND THE FACT PATTERN

msoplatform.com/contact

Scan or type it. Business, rough profit and owners go in the context box. You get an email to book a time, or ask for a call.

Licensed producers: compensation is set by the work each side does, agreed in writing on each case, subject to licensing and carrier requirements.

Guardian Tax Consultants® is a national MSO consulting firm. We design, implement and service the MSO every year, with the client's CPA and counsel.

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HOW IT WORKS

How it works

The operating company pays the MSO — a C corporation — a documented, arm's-length fee for services it actually performs. Income the MSO keeps is generally taxed at the 21% federal rate instead of the owner's personal rate. That difference can provide cash available for premium.

1 · THE BUSINESS
37%
pass-through profit taxed at the owner's top personal rate

→

2 · MANAGEMENT FEE
$1,000,000
paid to the MSO for real services; deductible when reasonable

→

3 · MSO (C CORP)
21%
16-point deferral vs 37% — ~ $210,000 of tax versus ~ $370,000

→

4 · INSURANCE
+ $160,000 / yr
illustrative; available for premium — paid, lent or financed as the feasibility study sets

Federal rates only, hypothetical; ignores state tax, §199A, payroll tax and other taxpayer-specific items. Premiums are not deductible to the MSO — the point is the rate on the dollars that pay them. The fee must be reasonable for real services; documented annually, with the fee study prepared by an independent firm.

HOW THE MONEY FLOWS

Cash goes to a planned use. Premium funding tied to a business need, such as key person or buy-sell, can support the MSO's position on the accumulated-earnings tax; treatment depends on the facts.

The C corp works for the plan. Rather than being distributed and taxed again, MSO cash and ownership can be coordinated with estate, ownership and succession planning.

About 25% more premium. 79 cents per pre-tax dollar at 21%, versus 63 cents at 37%. One 2026 carrier illustration showed about 25% more cash value and death benefit at Year 20; not a projection for any client.

CLEAREST FITS

- **Professional-service firms** — medical, dental, law, accounting, advisory; §199A may be limited or unavailable for high-income owners, so they feel the full personal rate.
- **Multiple entities or real estate** in the picture; cash building up with no defined use.
- **A partner fifteen years older**, an owner who can't get coverage, an estate the family can't pay the tax on.

FOUR WAYS THE PREMIUM GETS PAID

- **MSO owns the policy** — key person, buy-sell. §101(j) notice and consent; Form 8925.
  Pages 7 · 9 · 10 · 13
- **MSO lends the premium** — split-dollar loan to a trust at AFR; estate liquidity and buy-sell outside the estate.
  Pages 5 · 7 · 8 · 14 · 15
- **MSO borrows, then lends** — premium finance: a third-party lender lends to the MSO; the MSO re-lends the premium to the trust at AFR under loan-regime split-dollar. The resulting note receivable is an asset of the MSO. Larger cases; lender, carrier and counsel are involved.
  Page 15 (modeled)
- **Plan holds the policy** — life insurance inside a cash balance plan sponsored by the MSO, within incidental-benefit limits.
  Pages 11 · 12

LISTEN FOR

- "We made too much money this year."
- "We pay a lot of tax and still can't get the insurance done."
- "My partner is fifteen years older than I am."
- "The CPA says we should do something, but nobody owns it."
- "I can't get coverage."
- "I've used up my exemption."

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CASE 01 · RETAIL / DISTRIBUTION

Retail Showroom & Warehouse

Single owner · S corporation · ~ $12M revenue · ~ $3M profit · 30 employees

01

THE PLANNING NEED

BUSINESS REASON

No estate or succession plan; estate taxes fundable only from after-tax draw; inventory space and supplier delays hurting sales

INSURANCE WRITTEN

Estate-tax liquidity

Split-dollar to a trust

Permanent life insurance for estate-tax liquidity, owned outside the operating company under the estate plan

OWNERSHIP & FUNDING

Owned outside the operating company under the estate plan; **MSO** advances premiums from retained after-tax cash under a documented funding arrangement (split-dollar where trust-owned). No personal premium payment by the owner.

WHAT THE MSO DID

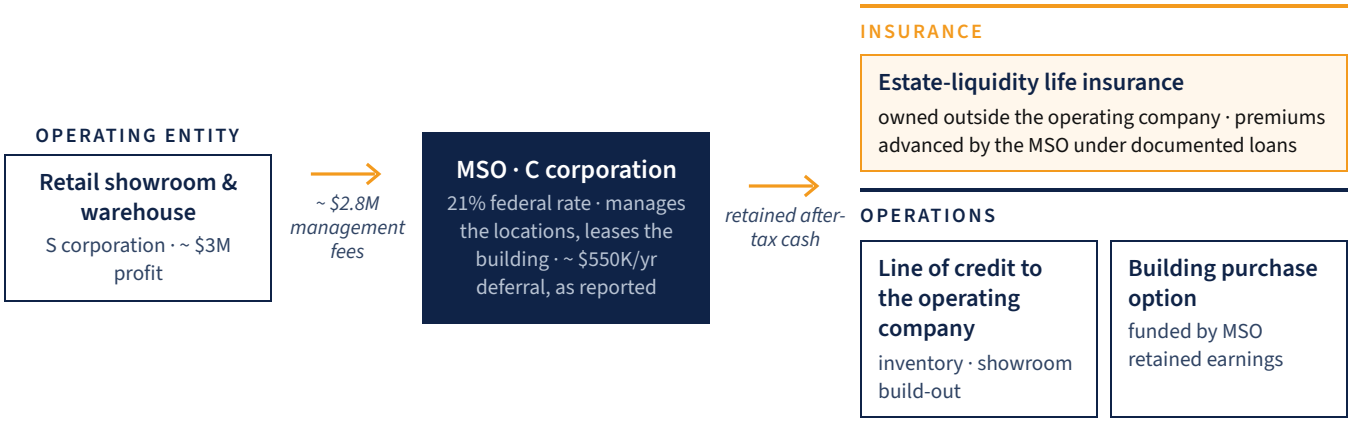
- C-corp MSO manages the locations and leases the new warehouse, with a purchase option
- ~ $2.8M of documented management fees paid to the MSO; ~ $550K/yr deferral, as reported
- MSO line of credit for inventory and build-out

RESULT

- Premiums funded from MSO retained after-tax cash
- Revenue up ~ 25% on faster inventory turns
- MSO retained earnings on track to buy the building

Figure 01

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

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CASE 02 · ENGINEERING / PROFESSIONAL SERVICES

Engineering Services Group

Two 50/50 partners with an age gap · three operating entities · ~ $15M profit · PLLC

02

THE PLANNING NEED

BUSINESS REASON

Unfunded buy-sell between 50/50 partners with an age gap; directors paid profit bonuses, with turnover risk; staff commingled across three entities; no exit plan

INSURANCE WRITTEN

Buy-sell | Executive retention / SERP

Life insurance on both partners funds the buy-sell; corporate-owned life insurance informally funds the SERPs

OWNERSHIP & FUNDING

Trust via special-purpose LLC owns the buy-sell policies; **MSO** advances premiums under documented split-dollar loans from retained after-tax cash. MSO owns the policies used to informally fund the SERPs.

WHAT THE MSO DID

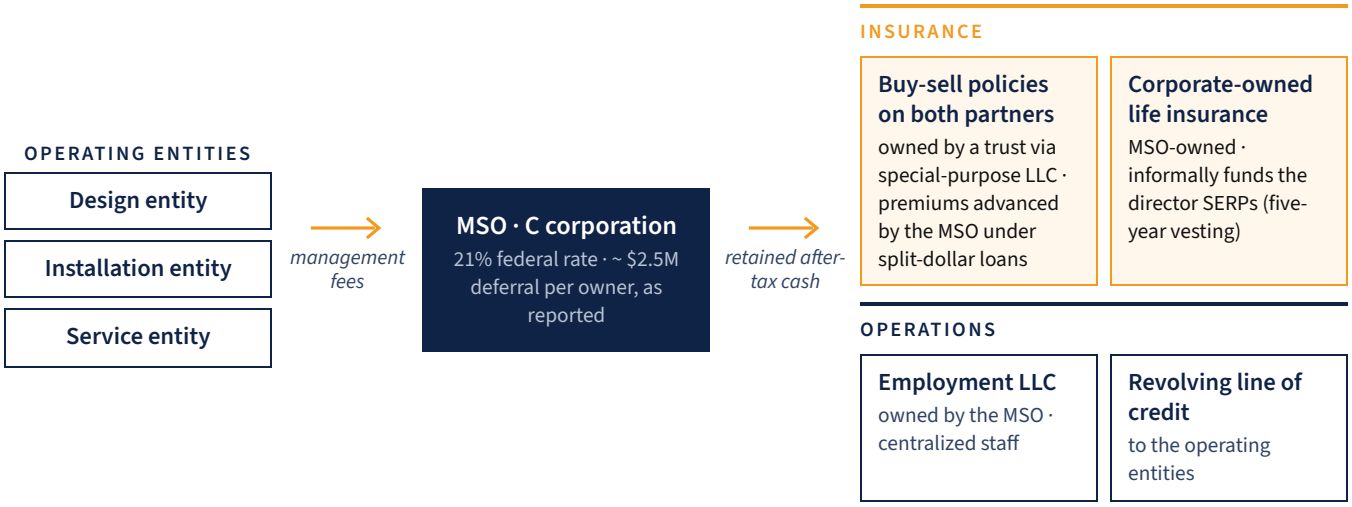
- MSO plus an employment LLC owned by the MSO centralizes staff
- Documented management fees paid to the MSO; engagement file reports ~ $2.5M/yr deferral per owner
- Revolving line of credit inside the MSO

RESULT

- Buy-sell fully funded
- Key directors retained
- Documented exit path

Figure 02

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

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CASE 03 · MANUFACTURING / MEDICAL DEVICES

Medical Device Companies

Majority and minority owner · two companies · ~ $45M gross · ~ $8M profit · LLC

03

THE PLANNING NEED

BUSINESS REASON

No buy-sell agreement and no funding vehicle; retained earnings growing with no plan; estate-tax funding needed without draining liquidity

INSURANCE WRITTEN

Key person | **Buy-sell** | **Estate-tax liquidity** | **Split-dollar to a trust**

One permanent policy design on the owners covering key person, buy-sell and estate liquidity

OWNERSHIP & FUNDING

Irrevocable trust owns the policy; **MSO** lends the premiums under loan-regime split-dollar from retained after-tax cash — about $500K a year of the deferral, as reported; the loans remain outstanding under their terms.

~ $500K a year to premiums through split-dollar loans from the MSO, as reported

WHAT THE MSO DID

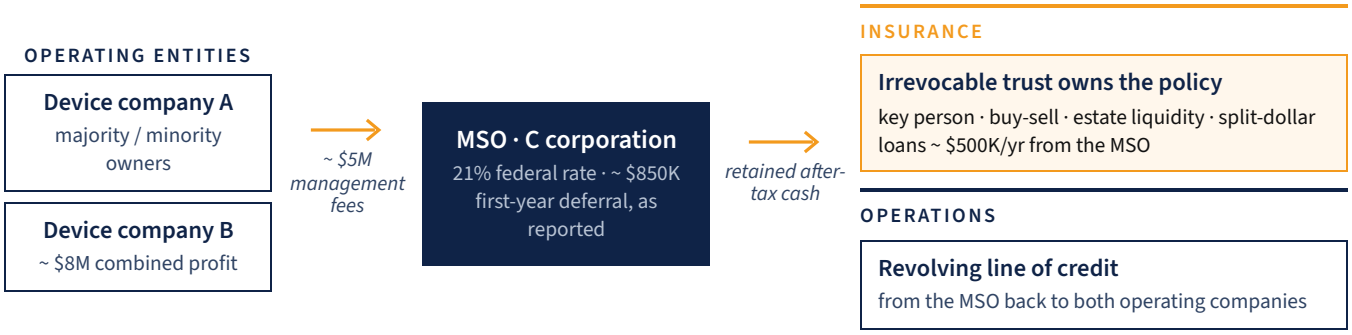
- C-corp MSO; ~ $5M of documented management fees; ~ $850K deferral in year one as reported, continuing
- Revolving line of credit from the MSO back to both companies

RESULT

- ~ $850K deferred in year one, as reported
- Death benefit outside the estate
- Premiums advanced from MSO after-tax cash under documented split-dollar loans rather than first distributed to the owner; the loans remain outstanding under their terms

Figure 03

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

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CASE 04 · REAL ESTATE

Real Estate Developer

~ $100M net worth · ~ $20M profit · land, home building, property management · estate projected to ~ $400M

04

THE PLANNING NEED

BUSINESS REASON

$400M projected estate, mostly illiquid real estate; low basis and rising values; bank-loan renegotiations and commingled assets

INSURANCE WRITTEN

Estate-tax liquidity

Split-dollar to a trust

Permanent life insurance sized to the projected estate tax, coordinated with the FLP and freeze so liquidity arrives when the tax is due

OWNERSHIP & FUNDING

Held outside the estate; **MSO** advances premiums under split-dollar loans at AFR from retained after-tax cash (~ $2.8M/yr deferral, as reported).

WHAT THE MSO DID

- C-corp MSO services the operating companies; ~ $2.8M/yr deferral as reported
- Family limited partnership and estate freeze move growth to the children
- MSO replaces bank financing for operations and equipment

RESULT

- ~ $2.8M deferred annually
- Estate liquidity without a forced sale of properties
- Reduced reliance on external bank financing; operating liquidity preserved

Figure 04

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

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CASE 05 · CONSTRUCTION SUPPLY

Home Building Supply

Two co-owners · ~ $12M revenue · ~ $2.8M profit · LLC

05

THE PLANNING NEED

BUSINESS REASON

No key-person coverage on either owner; estate planning incomplete; a second location needed amid supply shocks

INSURANCE WRITTEN

Key person | **Survivorship**

Key-person policies on both owners; survivorship (second-to-die) policies for each family

OWNERSHIP & FUNDING

MSO owns and pays the key-person policies from retained after-tax cash (~ $420K first-year deferral, as reported); survivorship policies are separately owned and funded under each estate plan through a documented arrangement.

WHAT THE MSO DID

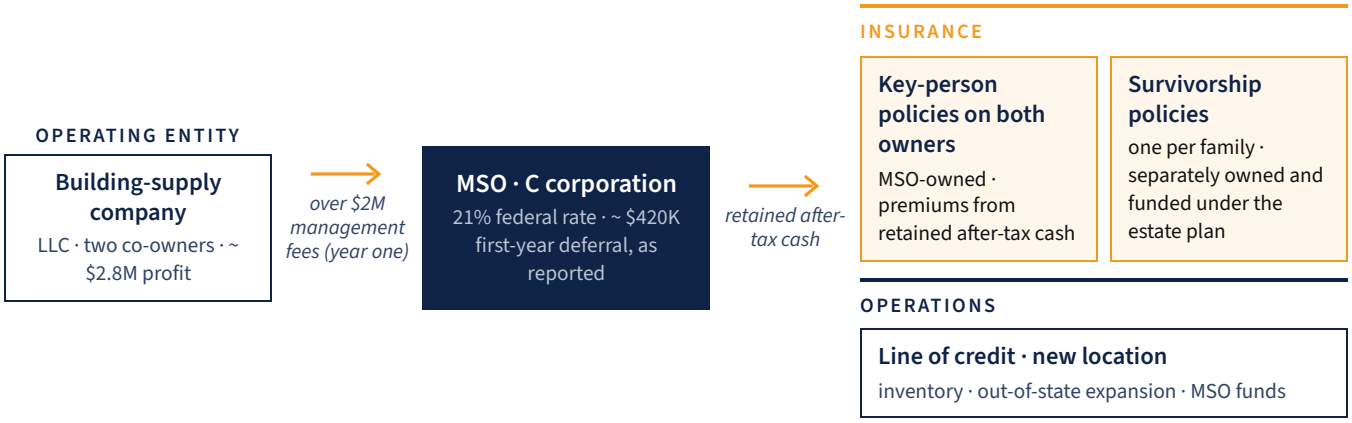
- MSO with over $2M of documented management fees in year one; ~ $420K deferral, as reported
- Line of credit for inventory; new out-of-state location funded internally
- MSO written into both owners' estate plans

RESULT

- ~ $420K deferred in year one
- Each owner protected against the loss of the other
- Expansion without new bank debt

Figure 05

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

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CASE 06 · LAW FIRM (SSTB)

Litigation Law Firm

Primary owner early 50s · profit $2–5M, settlement-driven · owns the office building

06

THE PLANNING NEED

BUSINESS REASON

No succession or estate plan, with value resting on one attorney; top attorneys with nothing that vests; lumpy settlement cash flow; building commingled with the firm

INSURANCE WRITTEN

Key person

Executive retention / SERP **Buy-sell**

Key-person policy on the principal; retention plans with vesting for key attorneys; buy-sell and succession plan established

OWNERSHIP & FUNDING

MSO owns the key-person policy and funds the retention plans from retained after-tax cash (~ $900K deferral, as reported).

WHAT THE MSO DID

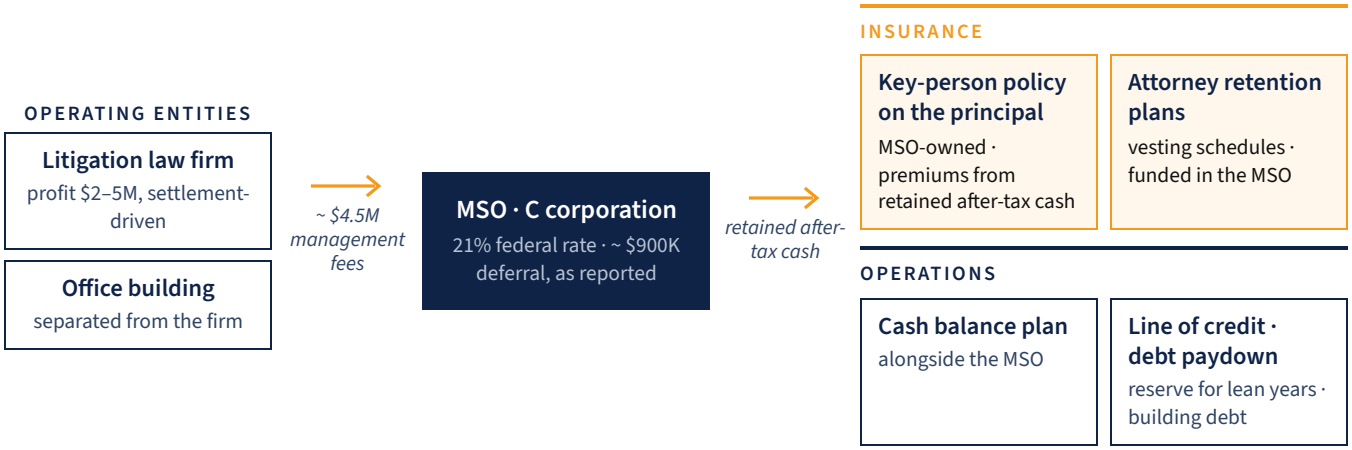
- ~ $4.5M of documented management fees; ~ $900K deferral, as reported
- MSO line of credit as the reserve for lean years; property separated from the firm
- Cash balance plan added; MSO loans pay down building debt

RESULT

- ~ $900K deferred
- Reserve for low-settlement years
- Succession in place for the first time

Figure 06

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

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Medical Practice — Concierge Optometry

07

Owner age 69 · five more working years · building ~ $1.5M value, ~ $500K basis · owner hard to insure

THE PLANNING NEED

BUSINESS REASON

Selling the building personally meant ~ $270K of capital gains and recapture; retirement depended on that sale; the owner's health limited his insurability

INSURANCE WRITTEN

Life in a cash balance plan

Permanent life insurance held inside the MSO's cash balance plan, within incidental-benefit limits — the spouse insured because the owner was not insurable

OWNERSHIP & FUNDING

Cash balance plan sponsored by the MSO holds the policy; premiums come from actuarially determined deductible plan contributions. At plan termination (~ 75) the policy is addressed separately under plan and tax rules.

WHAT THE MSO DID

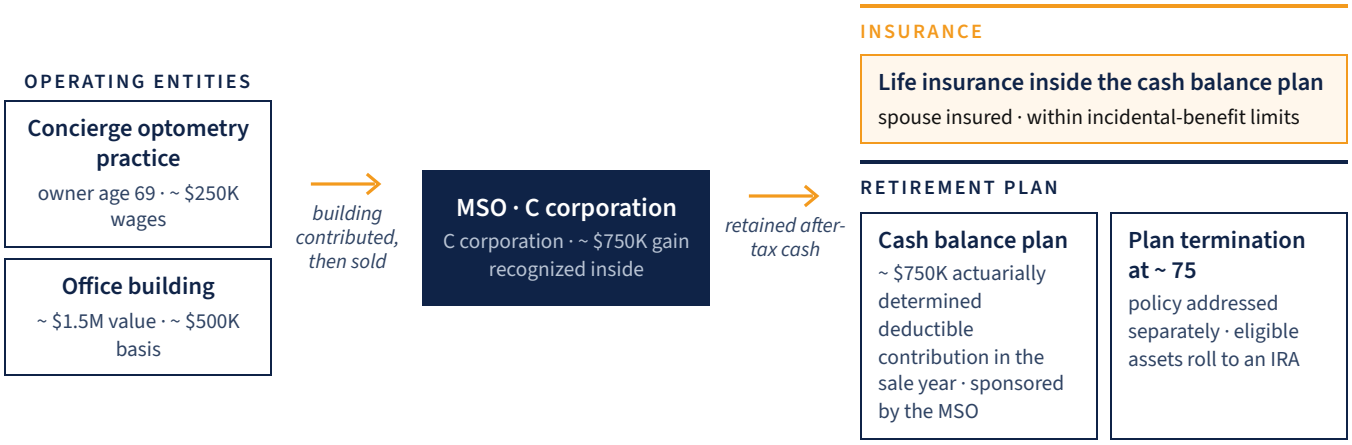
- Building contributed to a C-corp MSO about 2 years before sale; sold inside it (~ $750K gain)
- Cash balance plan in the MSO; an actuarially determined ~ $750K deductible contribution reduced MSO taxable income in the sale year, smaller contributions for four years

RESULT

- ~ $270K of tax deferred into the plan, as reported
- Grew at ~ 8% over six years to ~ $429K
- Retirement income and a death benefit within the plan design

Figure 07

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

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CASE 08 · SERVICES COMPANY · OWNER SELLING

Commercial Installation — Business Sale

08

Owner age 62 · MSO in place three years before the sale · 2024 sale ~ $4.5M with an EBITDA earn-out

THE PLANNING NEED

BUSINESS REASON

Gain on the 2024 sale taxed at ~ 23% combined; earn-out tied to EBITDA the seller would no longer control

INSURANCE WRITTEN

Life in a cash balance plan

Permanent life insurance held inside the MSO's cash balance plan, within incidental-benefit limits

OWNERSHIP & FUNDING

Cash balance plan sponsored by the MSO holds the policy; premiums come from actuarially determined deductible contributions funded by the MSO's consulting income. Before or at plan termination the policy is addressed separately under plan and tax rules.

WHAT THE MSO DID

- Sale structured ~ 50% asset sale, ~ 50% consulting income (~ $2M) paid to the MSO over the earn-out
- Owner's wages out of the operating company; higher EBITDA
- Cash balance plan in the MSO; maximum contributions for three plan years

RESULT

- ~ $460K of modeled federal tax deferred through the MSO and plan strategy, as reported (consulting income is ordinary income to the MSO; plan contributions do not offset capital gain)
- Grew at ~ 8% over six years to ~ $730K
- Earn-out protected

Figure 08

How the cash moves



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CASE 09 · ADVISORY FIRM (SSTB)

Private Wealth Management Firm (RIA)

Two partners, 10-year age gap · $2.5–3M investment fees + ~ $1M insurance revenue · single LLC

09

THE PLANNING NEED

BUSINESS REASON

Partner buyout unfunded across a 10-year age gap; one entity and one E&O policy with all revenue exposed; §199A deduction lost by mixing advisory and insurance income

INSURANCE WRITTEN

Key person | **Buy-sell**

Key-person and buy-sell policies on each partner; separate, purpose-fit E&O per entity

OWNERSHIP & FUNDING

Special-purpose LLC owns the partners' policies; premiums from **MSO** retained after-tax cash (~ $646K deferral across two MSOs, as reported).

WHAT THE MSO DID

- Wealth management and insurance split into separate entities; insurance entity eligible for the §199A/QBI deduction (~ $185K, as reported)
- Two C-corp MSOs; ~ $3.2M of documented management fees; ~ $646K deferral, as reported
- Employment LLC owned by the MSOs; special-purpose LLC for the owners' insurance

RESULT

- ~ $831K combined, as reported
- Buyout funded
- Valuation improved — clear profit, reasonable owner comp

Figure 09

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

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CASE 10 · REAL ESTATE · FAMILY LEGACY

Preserving a $600M Real Estate Legacy

10

Surviving spouse age 65 · $600M portfolio · $8M profit · four children run the properties · $150–200M estate-tax exposure

THE PLANNING NEED

BUSINESS REASON

$150–200M of estate tax with limited liquidity; a trust structure with no tax strategy; four children who want to keep the portfolio intact

INSURANCE WRITTEN

Estate-tax liquidity

Split-dollar to a trust

A policy with a guaranteed death benefit sized to the estate tax

OWNERSHIP & FUNDING

Held outside the estate; **MSO** pays premiums under a split-dollar loan at AFR from retained after-tax cash (~ $750K/yr deferral, as reported). At the spouse's death the note principal is repaid to the MSO.

WHAT THE MSO DID

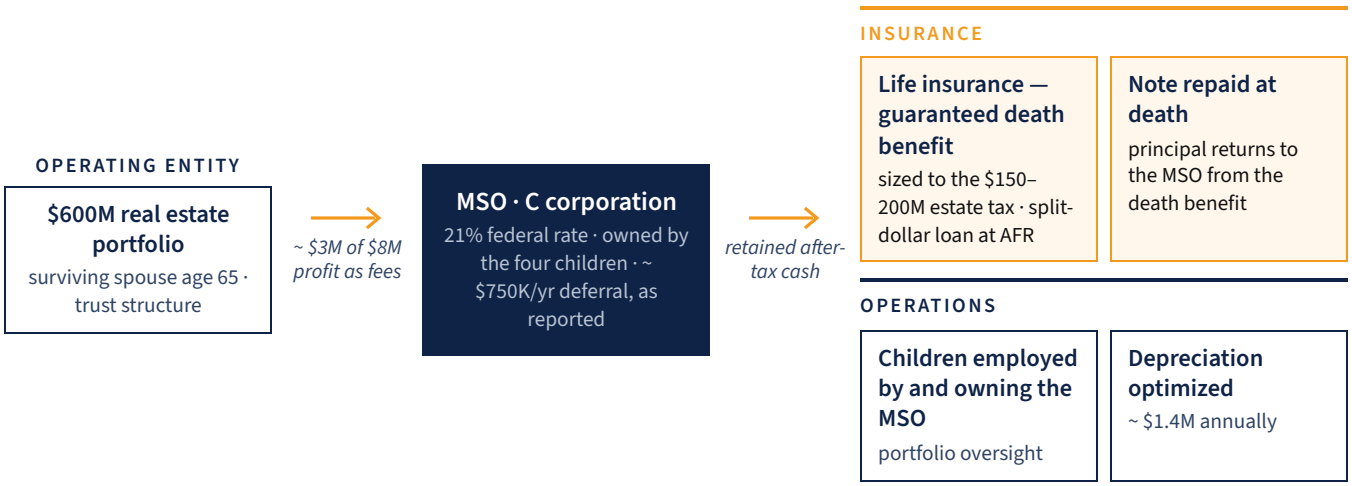
- C-corp MSO oversees the portfolio; ~ $3M of the $8M as fees; ~ $750K/yr deferral as reported
- All four children employed by and owning the MSO
- ~ $1.4M of annual depreciation optimized

RESULT

- Liquidity for the estate tax; no forced sale
- Premiums funded through the documented split-dollar structure rather than directly from the owner
- Family ownership continues

Figure 10

How the cash moves



Engagement-file amounts, rounded, as reported; may include state tax and case-specific items beyond the federal illustration on p. 4.

Know someone like this? Send the fact pattern at **msoplatform.com/contact**.

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CASE 11 · MODELED EXAMPLE · EXEMPTION ALREADY USED

The Dynasty Trust MSO

11

Owner age 51 · $3M a year of profit, growing 4% · estate and gift tax exemption fully used · 40-year horizon · modeled, not an engagement file

THE PLANNING NEED

BUSINESS REASON

Exemption fully used — in the model, profit is taxed at 37% as income and 40% again at death; gifting more means gift tax; doing nothing leaves $253.9M to heirs

INSURANCE WRITTEN

Premium finance

Split-dollar to a trust

Estate-tax liquidity

Premium-financed permanent life insurance owned by the dynasty trust (modeled)

OWNERSHIP & FUNDING

Dynasty trust owns the policy; **MSO** borrows and re-lends the premiums to the trust at AFR under loan-regime split-dollar — the note is a corporate asset. Trust dividends service it. Modeled; subject to counsel's analysis.

WHAT THE MSO DID

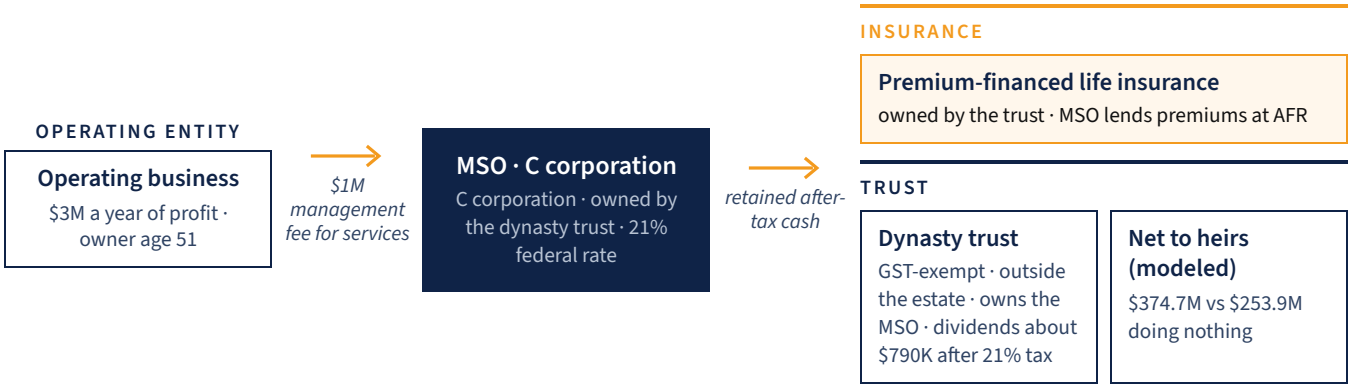
- C-corp MSO owned by a GST-exempt dynasty trust; $1M fee for real services
- The fee is paid for services, not gifted; trust funding stays subject to counsel's gift-tax and GST analysis
- After-tax profit paid to the trust as dividends and compounds outside the estate

RESULT

- $300.0M to heirs with the structure alone (+18.2%)
- $374.7M with the financing overlay (+47.6%)
- Income tax is similar either way; the modeled difference comes from assets assumed to sit outside the taxable estate

Figure 11

How the cash moves



Modeled example from GTC's 2026 CPE session — not an engagement. Assumptions: 37% income tax, 40% estate tax, 23.8% dividend tax, profit growing 4% a year, 40 years to age 90. Projections are illustrative; actual results will vary. Not for client use: "no gift tax," "no exemption used," "the note is a corporate asset," or any figure here — each depends on the assumptions and on counsel's analysis.

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