SOLUTION SNAPSHOT
PREMIUM FINANCING

OPPORTUNITY

What can be achieved...

- Male, Age 79
- Goal: Replace life insurance coverage with a new policy designed to have premiums paid through a premium financing structure, where a lender covers the premium payments and the Irrevocable Life Insurance Trust (ILIT) pays the annual interest on the loan
- Existing Coverage: $3M Policy
- Net Worth: $23M
- Annual Income: $1.5M
- Wrote $2,595,000 of replacement coverage with an annual premium of $202,000 financed through a bank and loan interest paid from the ILIT at a starting rate of 2.50%

IDENTIFIERS

...with the right tools...

- Optimal ages 45-65
- High net worth with assets tied up in illiquid investments
- Leverage seeker who looks for opportunities that have a high return on investment
- Substantial financing experience but young enough for premium financing pricing benefits
- A robust background financing other endeavors with an understanding of the pros and cons of a premium financing strategy

NEXT STEPS

...and the right team.

- Determine if any of your clients have an insurance need, based on the Identifiers outlined
- If you identify a potential opportunity to help your clients reach their goals, contact us to review the options

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