



# WHY PREMIUM FINANCE?

## A SOPHISTICATED WAY TO ACQUIRE LIFE INSURANCE

High-net-worth individuals who have a high opportunity cost on their money and understand the benefits of leverage, will choose to finance the premiums for the purchase of insurance contracts.



### CASH VALUE AS COLLATERAL

The policy cash value collateralizes the loan and banks lend against this conservative asset at 95% LTV.



### POWERFUL ASSET

Premium financing of permanent insurance contracts creates a powerful financial asset that compliments a portfolio comprised of stocks, bonds and real estate.



### PRESERVE LIQUIDITY

Premium financing allows clients to maintain their cash and investments, providing liquidity for other opportunities.

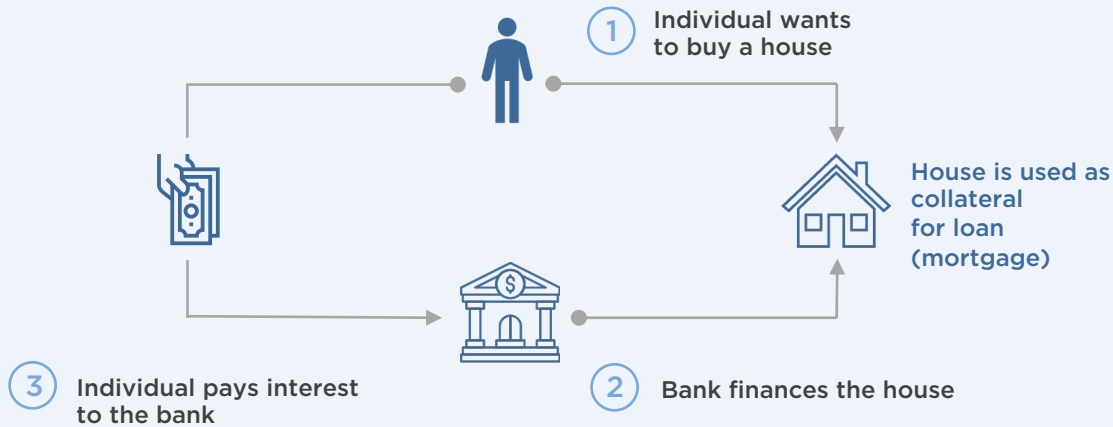




# WHAT IS PREMIUM FINANCING

## HOW DOES IT WORK

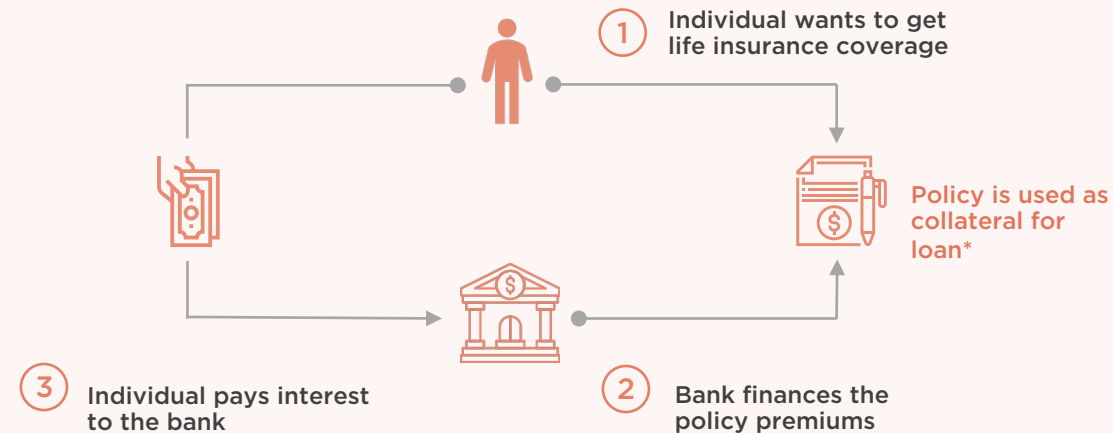
### MORTGAGE EXAMPLE



### EXAMPLE

When someone wants to buy real estate and doesn't want to use up their cash because they have a high opportunity cost on their money. In this case, perhaps they would seek financing. The bank takes the property as collateral, and the individual pays the bank monthly loan installments. This payment includes principal and interest.

### PREMIUM FINANCING



### WITH PREMIUM FINANCING

The difference is that the bank takes the policy as the main guarantee and pays the premiums annually. The client is only responsible for paying the monthly interest.

\* Additional collateral may be necessary