



## UNDERSTANDING PREMIUM FINANCE

# WHAT is it and WHY should I do this?

### Use Leverage to benefit you or your family:

Whether you desire an additional tax-free income stream during your retirement years, or significant death benefit to pass to your heirs, financing your life insurance premiums enables you to earn a spread between expected policy returns and borrowing rates. Anticipated results are a compounded 8-10% tax-free return over time.

YOU Generate a future tax-free income; anticipated returns of 8-10%	YOU Generate a future tax-free income; anticipated returns of 8-10%	YOU Generate a future tax-free income; anticipated returns of 8-10%
	Accumulate cash that grows and can be accessed tax-free in the future	
	Obtain significant death benefit without paying premiums allowing you to deploy your investment dollars elsewhere	
	Does not require use of annual lifetime gifting or exclusions	
	Capitalize on the spread between policy growth and borrowing rates	
	Designed with the least amount of life insurance allowable by the IRS, while still allowing tax-free access	

### Who should consider Premium Financing



Individuals with net worth of \$5 million or higher



Individuals, trust, corporations or partnerships with a desire or need for significant amount of life insurance



Individuals who, given the illiquid nature of their estate, may not have the cash to pay life insurance premiums



Individuals looking to create a future tax-free income stream