



# THE PRESERVATION SERIES

Eliminating The Dangers Of  
Financed Life Insurance

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# THE PLANNING HORIZON

VISION, VALUES & GOALS  
WHAT & WHY

ABOVE



THE PLANNING HORIZON



BELOW

WHO & HOW  
STRATEGIES, TACTICS & TOOLS

# OUR SPEAKER



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Tax & Estate Planning Expert

# LIFE INSURANCE IS GOOD

1. Provides liquidity at a time when its needed
2. Creates a credit in the company's capital dividend account
3. Good value for the premium paid; TMV 8% to 11%

# LIFE INSURANCE IS GOOD

BUT it takes cash flow that could be used for higher returns

So -- Leverage to replace the cash flow

- Borrow up to cash value
- Borrow entire premium with extra collateral
- Borrow after-tax cost of interest

# LEVERAGED LIFE INSURANCE IS EVEN BETTER

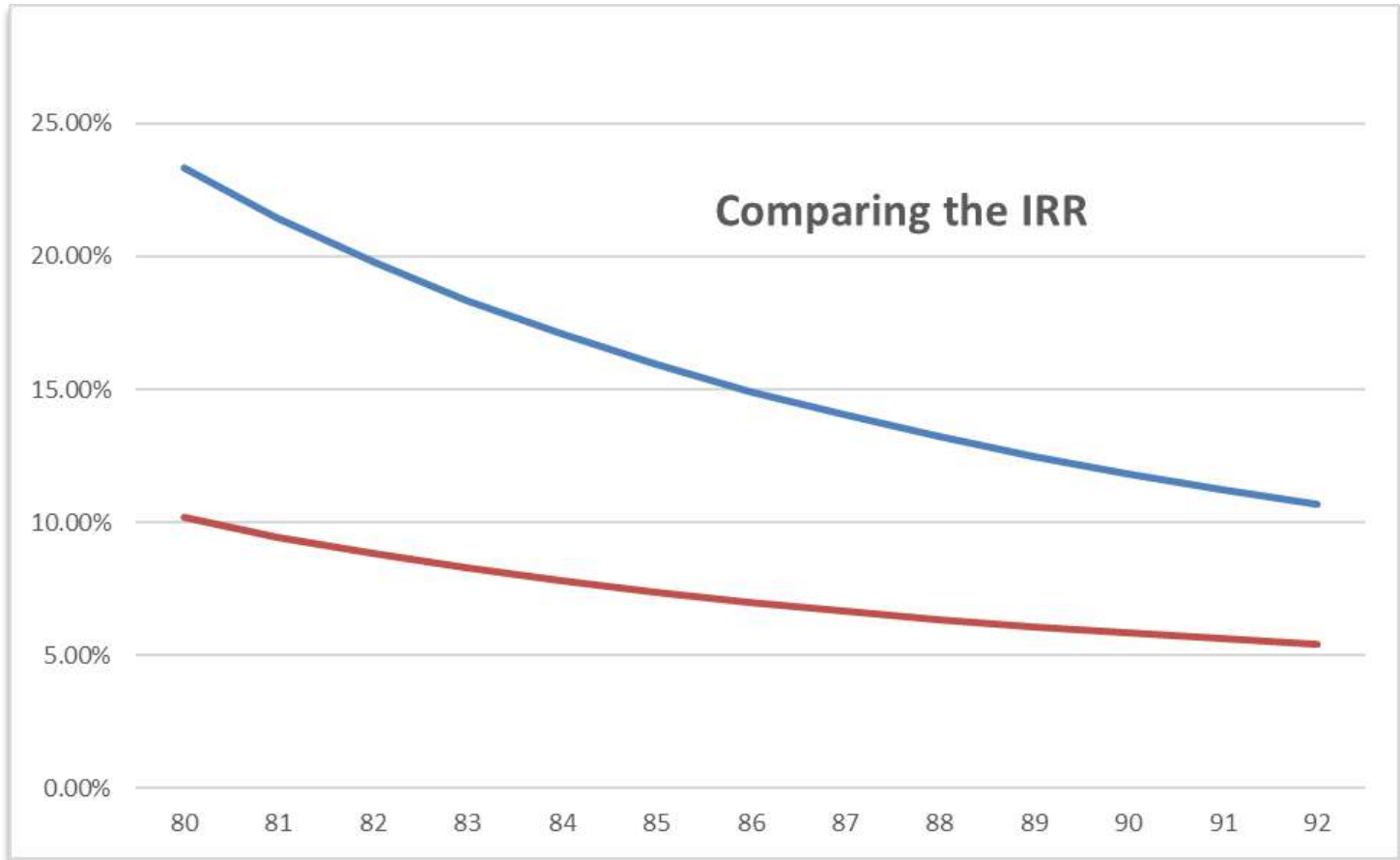
Borrow to replace the cash flow used to pay the premiums:

- The policy can secure the loan
- The policy can repay the loan
- The family will have a net benefit
- Company retains the entire capital dividend account credit

# EXAMPLE

	<b>Insurance</b>	<b>Leveraged</b>
<b>Total Premiums</b>	<b>5,317,000</b>	<b>5,317,000</b>
<b>Replace cash flow</b>		<b>5,184,000</b>
<b>After tax cost of servicing</b>		<b>2,096,000</b>
<b>Loan balance</b>		<b>5,184,000</b>
<b>Net Insurance</b>	<b>20,331,000</b>	<b>15,060,000</b>

# EXAMPLE





# IT TAKES A TEAM

1. Service the insurance policy
2. Service the credit
  - Rates, term, covenants
3. Manage the tax issues
  - Interest expense
  - Collateral insurance expense
  - Guarantor fee
  - Changes
  - Tax shelter rules
  - Loss utilization strategies

# VARIATIONS

1. Borrow in opco, secured by holdco's policy and dividend funds to the holdco which owns the policy
2. Borrow personally, secured by the company's policy and lend funds to the company which owns the policy
3. Borrow personally for personal consumption and secure the loan against the corporate owned policy
4. Insured investment loan; deposit cash flow to insurance and use the insurance policy to secure an investment loan

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# COMING SOON – RESOURCES



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## RESOURCES



For CLIENTS



For ADVISOR PARTNERS

EXPERIENCE. TRUSTED ADVISORS TO ACCOMPLISHED ENTREPRENEURS.

# For Further Questions



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**Save The Date!**  
**Wednesday October 5<sup>th</sup>, 2022, Noon**