

# Life Insurance

## WINTRUST

LIFE FINANCE

wintrustlife.com

# CLIENT RENEWAL PROCESS

## AFTER THE LOAN CLOSES, YOUR ENGAGEMENT IS STILL IMPORTANT.

Although life insurance premium finance doesn't require a ton of attention once your deal is done, it isn't a "set it and forget it" type of tool either. It falls somewhere in the middle. Once a year during the renewal process, it is imperative that you reengage with your life insurance premium finance provider in order to ensure that your loan is in good standing.

### What happens leading up to a renewal date?

**60**  
DAYS PRIOR

In order to renew your premium financing, each year, Wintrust Life Finance (Wintrust Life) must first review the policy with updated inforce illustrations to identify its collateral value. At that time, Wintrust Life will also obtain updated collateral values on any collateral pledged to secure the loan (CDs, MMAs, policies, annuities, etc).

**45**  
DAYS PRIOR

Wintrust Life Finance will begin to underwrite the transaction for the upcoming year.

**30**  
DAYS PRIOR

The new loan rate is set and a complete renewal package is prepared and issued to the borrower. The loan analyst handling the renewal will send an email to your life insurance representative providing a copy of the renewal package advising them of the renewal requirements. The analyst will follow up with the broker periodically for status updates and to answer questions.

### What happens if Wintrust Life is missing what it needs to successfully complete the renewal?

If there are missing items at the renewal date, the borrower will receive a notice of default and the broker will receive an email with a copy of the notice as well. In most instances, there is a 15 day period to cure the default.

*If not timely cured, Wintrust Life may liquidate the financed policy and any pledged collateral to pay off the outstanding loan obligation.*

## SO, WHAT DO WE REVIEW ANNUALLY TO DETERMINE THE WORTH OF YOUR POLICY AND YOUR COLLATERAL?

### Generally, we value:

- **Universal life insurance policies** without any cash value enhancement riders (i.e. termination credit, SVEA, etc.) are valued using the non-guaranteed cash surrender value based on the current crediting rate.
- **Indexed universal life insurance policies** without any cash value enhancement riders are valued using non-guaranteed cash surrender values. Any funds in an index account will be based on the guaranteed crediting rate (typically zero percent). Any funds in the fixed account will be based on the current crediting rate.
- Policies with cash value enhancement riders are valued based on a policy by policy/rider by rider basis.
- **Whole Life** insurance policies, without any cash value enhancement riders, are valued using the non-guaranteed cash surrender value credited using the current dividend yield.

### Collateral Valuation:

- Cash/cash equivalents (CD, MMA, LOC, etc.) are typically valued at 100 percent. CDs not held with Wintrust Life's associated bank, Lake Forest Bank & Trust, are subject to a 95 percent valuation.
- Bonds are valued typically anywhere from 50 to 80 percent depending on the type and are subject to approval by Wintrust Life's credit department.
- Marketable securities are typically valued at 50 percent, however this is subject to the portfolio's diversification. If there is a high concentration of one, or only a few securities, there could be a greater discounting. All stocks must trade above \$10 a share.

Wintrust Life Finance is a division of Lake Forest Bank & Trust, N.A., a Wintrust Community Bank.

None of these descriptions are an offer to lend and the actual terms and conditions of a loan program may change or be modified by Wintrust Life Finance at its sole discretion without notice. None of the products or services described herein are an offer to lend or to provide any commitment to any party. Wintrust Life Finance makes no representation or warranty as to the extension of credit now or in the future to any particular client. All descriptions contained in this brochure assume the client is in compliance with all terms and conditions contained within the loan documentation entered into between the client and Wintrust Life Finance (or one of its affiliates). Potential client may or may not be offered products or services that described herein as determined by Wintrust Life Finance in its sole discretion. Please note that financing may be offered through Wintrust Life Finance or one of its affiliates. Please contact your Account Manager with any questions regarding the applicable lending entity.

