



**WINTRUST**  
 LIFE FINANCE  
[wintrustlife.com](http://wintrustlife.com)

## A CASE STUDY FROM THE WINTRUST LIFE FILES: *Unlocking the Value of In-Force Life Insurance Policies*

Premium financing and cash value based lending are valuable tools for individuals who wish to maximize the productivity of their life insurance assets. By understanding these tools, you can provide tremendous value to your existing clients and open the door to new relationships. We’ve dug deep into the “Wintrust Life Files” to provide insight into the true benefits of leveraging life insurance coverage.

There is much to consider when managing life insurance portfolios for your clients. Not only must you deal with issues such as insurance capacity and product performance, you must also understand the global and local economic environments and the effects on your clients at both the micro and macro levels. High net worth clients intuitively understand the power of leverage and often have need for additional liquidity to meet their economic goals. In spite of today’s interest rate environment, traditional bank credit continues to be elusive for some borrowers and understanding how to use policy equity to one’s advantage could be a great benefit to your practice.

### THE PROBLEM

Several years ago, an individual purchased a sizable life insurance policy for her succession planning needs. Cash flow from her real estate investments provided the source of funds for the required premium stream. Recently, the client was approached with an enticing opportunity to invest in a senior living facility at a steep discount. However, the client’s relationship bank offered unpalatable financing terms.

### THE SOLUTION

At the 25th hour, the client’s advisor was informed of this issue and reached out to Wintrust Life Finance (Wintrust Life) to determine whether the cash values of the existing life insurance policy could be used to obtain a loan. Time was of the essence and the window of the client’s investment opportunity was quickly closing. Due to Wintrust Life’s expertise with cash surrender value based lending, a \$12 million loan was arranged in short order which provided the liquidity needed without disrupting any other existing asset.

TRADITIONAL REAL ESTATE LOAN FROM RELATIONSHIP BANK	
Loan amount	\$12 million
Underwriting requirements	Financials, appraisals, environmental reports, leases, etc.
Loan interest rate range	3.56% - 6.50% (variable)
Loan term	5 year term; 20 year amortization
LTV range	50% - 80%
Collateral pledged	land/property
ETA to close	90 days

**VS.**

CSV BASED LOAN FROM WINTRUST LIFE	
Loan amount	\$12 million
Underwriting requirements	Financials, in-force illustration, copy of insurance policy
Loan interest rate range	4.25 - 6.00% (variable)
Loan term	5 - 10 year term; renewable at maturity
LTV range	100%
Collateral pledged	Existing life insurance policy
ETA to close	14 - 21 days

# A CASE STUDY FROM THE WINTRUST LIFE FILES:

## Unlocking the Value of In-Force Life Insurance Policies

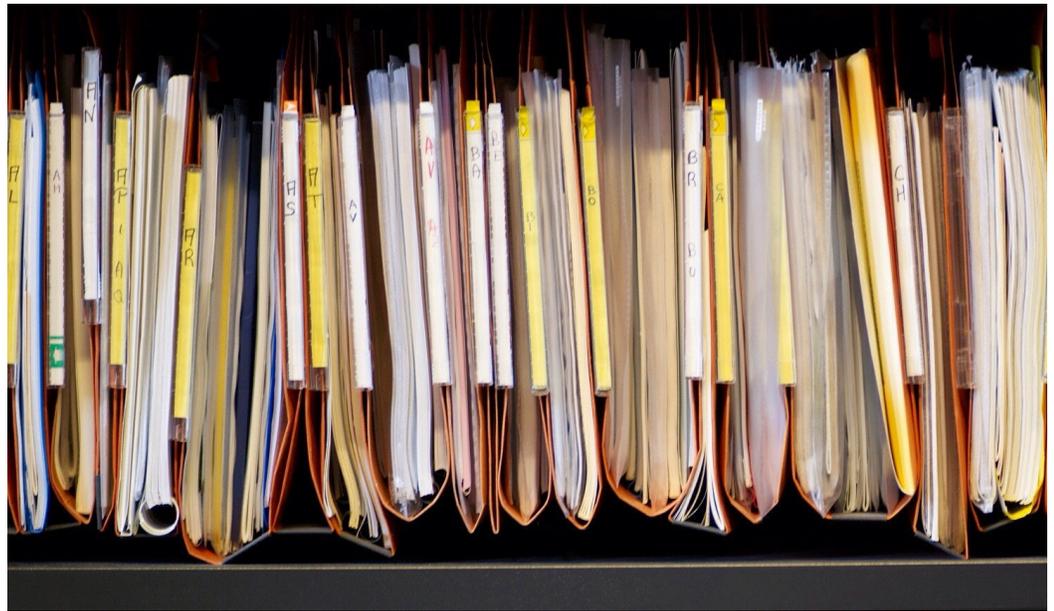
For more information about other “Wintrust Life Files” cases please visit [wintrustlife.com](http://wintrustlife.com). Or, for more information about what Wintrust Life Finance can do for you, contact:

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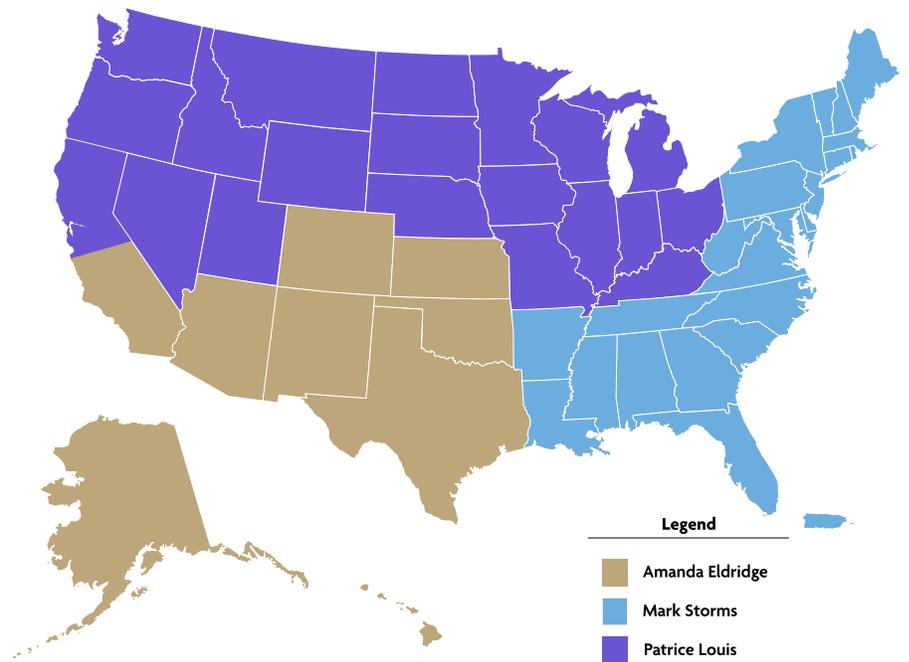
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The general loan parameters outlined by the client’s relationship bank were uniformly less attractive than the structure offered by Wintrust Life. While these were two different types of lending arrangements, the client’s goal remained the same and was achieved due to savvy advice from her trusted advisor.

In this instance, a little creativity went a long way in helping a valued client meet a need. At Wintrust Life, we realize there is nothing out of the box about an opportunity, and we encourage agents and advisors to take note.



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



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