



ASSET BACKED INSURANCE LENDING (ABIL) *With Income Generation*

EXTRA INCOME

Regardless of how wealthy a family may be, extra income can always be put to good use. Especially when that income is a bonus resulting from the wise use of an invested asset being used as collateral. This income can be used for a myriad of reasons including charitable giving, trust income enhancement, investments and more.

Asset Backed Insurance Lending (ABIL) is an established, differentiated life insurance premium finance program. It is designed to provide large amounts of coverage at little or no out-of-pocket cost to the insured. This is accomplished by leveraging client collateral to secure bank loans which pays life insurance premiums. Due to the program's carefully designed structure, policy cash value is projected over time to payoff the cumulative bank loan, leaving a "paid up" policy for the client.

INCOME PRODUCTION

Through careful adjustment to the basic program design, we can accelerate cash value growth to pay off the loan earlier and leave enough residual cash value to supply lifetime, tax-free income.



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A TYPICAL CLIENT PROFILE EXAMPLE

Bob and Carol are married with three children and have a net worth of approximately \$300 million. Bob is 83 and Carol is 53. Bob has placed most of his estate in an Irrevocable Trust to avoid estate taxation. When Bob passes on, Carol as the trust beneficiary will receive a 5% annual stipend from the trust, but will have no control over trust assets and management decisions. She is concerned that managed assets may decline in value.

THE PLAN

Bob is no longer eligible for life insurance but Carol is. The plan is to insure Carol for \$100 million through *Asset Backed Insurance Lending (ABIL)*. Bob will consent to assign up to \$5 million in collateral for a period of about 10 years. By that point the policy cash values become the only collateral required. In year 16, the bank loan is retired using policy cash values. In year 17, when Carol is age 70, the remaining cash values will allow annual distributions of \$3.1 million in tax-free income for the rest of Carol's life. As an example, if Carol passes away at age 95, her remaining death benefit is projected to be \$112 million. This scenario is projected at no out-of-pocket cost to Bob, Carol, or any family members.

ADVANTAGES:

- A cost effective way to obtain substantial life insurance and provide a large income stream in the future.
- Client keeps assets working with no loss of investment opportunity.
- Saves substantial taxes.
- Collateral is left under client control and collateral requirement is eventually eliminated.
- Provides large life insurance death benefit and future income with a high probability of no out-of-pocket cost.

CLIENT PROFILE:

- Ages 20-70
- Minimum net worth of \$15 million
- Minimum loan amount of \$5 million
- Insurable, preferably in good health.