

Client Profile Premium Financing



CLIENT PROFILE	
Age:	55 and older
Wealth:	Estate of \$5 million or more
Concern:	Estate Planning program in place, but does not want to liquidate assets or pay gift tax to pay premium on life insurance policy.

PROBLEM

Over the past ten years, the size of the client's estate has grown. He/she needs to purchase more insurance for estate tax protection, but does not have enough (or does not want to use) liquid assets to pay the annual premium.

SOLUTION

Enter into a premium financing arrangement with a third-party lender.

WHY PREMIUM FINANCING?

Setting up a premium financing plan enables the borrower to leverage savings and investments by using the life insurance policy as collateral.

PREMIUM FINANCING

Premium financing can be used in the estate and business planning marketplace where there is a need for life insurance yet the funds to pay the premiums can be better used elsewhere. Clients can borrow funds from a third-party lender to pay for their life insurance premiums, thereby reducing their potential out-of-pocket expenses as well as their potential gift tax costs!

For more information on premium financing, please contact your local John Hancock Representative or call the Advanced Markets Group at 888-266-7498, option 3.

1. There are risks involved in this program which are not of the scope of this piece. Please consult your financial advisor for more information.

This material is for informational purposes only. Although many of the topics presented may also involve tax, legal, accounting, or other issues, neither John Hancock Life Insurance Company (U.S.A.) (John Hancock USA) nor any of its agents, employees, or registered representatives are in the business of offering such advice. Individuals interested in these topics should consult with their own professional advisors to examine tax, legal, accounting or financial planning aspects of these topics.



John Hancock Life Insurance Company (U.S.A.), 197 Clarendon Street, Boston, MA 02116.

©2005. John Hancock Life Insurance Company (U.S.A.). All rights reserved.

IM1319 05/05 ML11213045001