

Premium financing for business clients

Strategies to match every company's needs

For businesses with substantial life insurance needs, premium financing can greatly reduce out-of-pocket expenses and preserve capital for other investments. Start a conversation with your business clients who are looking for life insurance protection from the loss of key employees, to fund a succession plan, or as a reward for key executives. Think of clients whose companies are growth-targeted, understand leverage and have a consistent stream of revenue.

Let's take a look at a few examples of businesses that may be ideal candidates for premium financing.



"How can I make sure my business continues if I lose my top performer?"

In need of key person coverage

Meet BuildItUp, LLC

Scott owns a construction company that has been in business for over 27 years. His project manager — Jim, age 49 — is a key employee who is responsible for a recent expansion into a new metropolitan market. Scott wants to ensure that the company can survive if Jim were to die. He knows the cost and time it could take to find a replacement while keeping his clients feeling assured that projects will continue. His company has solid earnings, but its capital is tied up in equipment and materials. Premium financing could help Scott provide the life insurance policy he needs to protect from the risk of losing Jim.



"We want to successfully transition our business to the next generation."

Seeking a succession plan

Meet LMD Physical Therapy

Linda, Matt and Deb own a physical therapy office that has been in business for 20 years and employs 25 people. They've successfully managed two major expansions together and look forward to more. Because of these expansions — which include the building leases, staff and medical equipment — they don't have much liquidity to access and want to preserve high-performing assets. The partners have discussed that if one of them were to die, they plan on transitioning ownership to the two remaining partners. Premium financing life insurance policies may help ensure that the business can purchase the deceased owner's interest if one of them were to die and distribute the shares to the remaining partners.



Want an executive benefit plan

Meet TechRite Instruments, Inc.

This 10-year-old technology company has experienced consistent growth, with solid finances and steady revenue. It has 75 employees and five key performers: Steve, age 52, Sales Manager; Will, age 40, Top Sales Rep.; Kathy, age 46, Director of Innovation; Josef, age 50, VP of Operations; and Maritza, age 35, Chief Marketing Officer. Though the company is extremely successful, its capital is tied up in R&D and manufacturing equipment. TechRite could help retain their key performers — and attract potential executives — by premium financing an executive benefit solution that provides additional rewards to these key performers.

Think about your book of business. If you have business clients who could benefit from premium financing an accumulation-focused life insurance policy, consider *Lincoln WealthAccumulate*® 2 IUL.

Why *Lincoln WealthAccumulate*® 2 IUL?

- Significant growth opportunity through six indexed accounts you can adjust as your needs, or the markets, change.
- Downside protection to help shield your investment from market losses.¹
- Riders that provide enhanced surrender value allowing business owners to reposition current company assets to purchase life insurance while minimizing impact to the balance sheet or collateral value to qualify for more premium financing.

Why Lincoln?

- Lincoln allows international clients to finance their premiums. We have dedicated consultants and specific written guidelines for you and your clients to follow.
- Lincoln's MultiLife Business Solution program allows for cases of five or more lives to be financed.

Keep in mind:

- Premium financing loan interest rates may increase, resulting in higher loan interest payments.
- Policy crediting rates can fluctuate and may perform better or worse than anticipated, resulting in the potential for additional collateral.
- The business may need to pay additional premiums to maintain the policy.

¹Policy charges remain in effect and could reduce your policy value.



Have questions about premium financing or need help designing a case?
Contact us at PremiumFinance@LFG.com.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

©2023 Lincoln National Corporation

[LincolnFinancial.com](https://www.lincolnfinancial.com)

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

LCN-6087339-110923

PDF ADA 11/23 Z06

Order code: LIF-PFBIS-FLI001



Lincoln Financial Group (LFG) does not recommend, endorse, sponsor or otherwise offer Premium Financing. LFG does not have an agreement with any Premium Financing organization, is not a party to the loan agreement, and does not receive any form of compensation from any financing arrangement. There are risks associated with commercial Premium Financing, including but not limited to interest rate risk, additional collateral requirements, additional loan renewal requirements, and risk the lender could become insolvent. In addition, if the client fails to repay the loan based on the terms, the loan could default and the insurance contract could lapse.

Lincoln Financial Group affiliates include broker-dealer/distributor Lincoln Financial Distributors, Inc., Radnor, PA, and insurance company affiliates The Lincoln National Life Insurance Company, Fort Wayne, IN, and Lincoln Life & Annuity Company of New York, Syracuse, NY.

Lincoln WealthAccumulate® 2 IUL (2020) is issued on policy form ICC20UL6092/UL6092, and state variations by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.**

All guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker-dealer and/or insurance agency selling the policy, or any affiliates of those entities other than the issuing company affiliates, and none make any representations or guarantees regarding the claims-paying ability of the issuer.

It is possible coverage will expire when either no premiums are paid following the initial premium, or subsequent premiums are insufficient to continue coverage.

Products, riders, and features are subject to state availability. Limitations and exclusions may apply. Not available in New York. Not for use in Massachusetts.

For financial professional use only. Not for use with the public.