



# Insurance premium financing



At Deutsche Bank Wealth Management, we believe life insurance to be a critical part of a comprehensive wealth plan. Insurance premium financing (IPF) may allow you to maximize your life insurance policy in a tax-efficient manner, while maintaining your existing investment strategy and providing liquidity.



## Advantages

- IPF can be integrated into your trust and estate plans<sup>1</sup>
- IPF can provide increased liquidity from borrowing versus paying your insurance premiums out of pocket
- You can avoid disposing of your appreciated assets to fund your insurance premium payments, allowing you to maintain your existing investment strategy



## Loan parameters

- Minimum initial loan size of \$2,000,000 (\$10,000,000 by year five)
- Proceeds must be used for life insurance premium payments, and may also be used to finance the loan's interest and/or fees
- Typical tenor of up to three years – committed, non-revolving structure
- Interest and fees may be capitalized (borrowed under facility)
- Loan amount should be sufficient to fund target premium payments of \$2,000,000 per annum
- Full recourse to an individual or wealth vehicle



## Collateral parameters

- Insurance policy issuers need to be rated A or better
- Acceptable policy types include whole life, universal life, variable universal life and indexed universal life
- Policy cash surrender value (CSV) and death benefit assignment
- Advance rate of up to 95% of the cash surrender value
- In addition to the CSV of the policy, marketable securities held at Deutsche Bank as collateral are also required

<sup>1</sup> Deutsche Bank AG, including its subsidiaries and affiliates, does not provide legal, tax or accounting advice. This communication (including any attachments) was not intended or written to be used, and cannot be used or relied upon, by any taxpayer for any tax purpose.

# About Deutsche Bank Wealth Management

Deutsche Bank Wealth Management serves as a trusted partner to wealthy individuals, family offices and select institutions. With practices in the Americas, Europe and Emerging Markets, we are one of the largest wealth managers globally. As a full-service wealth management firm, we offer our clients a comprehensive suite of private banking solutions, including access to the broader financial offering of Deutsche Bank.

We would welcome the opportunity to work with you. For more information, please contact your relationship manager or visit [deutschewealth.com](https://www.deutschewealth.com)

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Insurance premium financing is not offered in every state. Please contact your Relationship Manager for availability.

The products and services described in this document are not appropriate for everyone, so you should make a decision based on your financial, legal and tax situation after consultation with your tax and legal advisors. Deutsche Bank does not provide accounting, tax or legal advice to its clients. This information is not financial advice or a solicitation.

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Investing with borrowed money contains risk. No assurance can be given that investors’ investment objectives will be achieved, or that investors will receive a return of all or part of their investment. Investments using borrowed money are suitable only for persons who can afford to lose their entire investments. Before investing, prospective investors should carefully consider these risks and others, such as borrowing costs, repayment terms, and liquidity.

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