



WINTRUST
LIFE FINANCE
wintrustlife.com

WHAT IS THERE BESIDES RATE?

QUITE A BIT, ACTUALLY.

Wintrust Life Finance (Wintrust Life) has been in the life insurance premium finance space for more than 20 years. We know there often is a lot more to a transaction than just rate. Premium finance is an invaluable tool for those looking to leverage wealth and free up capital, but borrowers should be careful about putting all their eggs in the rate basket. There are several things to consider when vetting a potential premium finance arrangement.

FEES

There may be closing, legal, and/or annual maintenance fees involved in a premium finance structure. Paying these fees or rolling them into the loan itself effectively will increase the “true” rate the client is paying for the transaction. **At Wintrust Life, we don’t charge ancillary fees to get a deal done. We’re upfront about our costs, so there aren’t any surprise fees along the way.**

TERMS

Some premium finance arrangements offer shorter terms or have different call provisions. Some arrangements might be two to three-year term notes that are callable. That’s something to consider because having to move a loan in year two or three due to an unreliable lending source can be very frustrating. **Wintrust Life offers a five year term note, renewable at maturity, and not callable unless there is a default.**

CONDITIONS

Some arrangements come with conditions that could be dealbreakers. It’s important to know whether a client will have to requalify or submit financials annually. Does the arrangement come with a pre-payment penalty? And, will asset relocation be required? Many financiers give better arrangements based on a relationship banking component. They may require external collateral be housed by the lender. Or, the lender may even require that assets maintained are in excess of the collateral pledge, which can prove disruptive to the existing infrastructure the client has established. We offer 100% advance rate on cash surrender value where others are at 95% or even 90%. **At Wintrust Life, we don’t require asset relocation and are happy to secure collateral that is housed with the client’s institution of choice.**

LENDER RISK

Not all lenders are created equal. You need to determine if the company is committed to the asset class. Look at the amount of deals the company has competed in the past and what its track record is. This will give you a better understanding of how reliable the lender is. **With more than 20 years in the industry, Wintrust Life is committed to the premium finance space. Other companies may jump in and out, but we’re here to stay.**

EXECUTION

A lot rides on some final considerations about execution. It’s important to determine if the lender and its credit committee understand the product and the transaction. Has the company worked with the carriers in question? Are they comfortable with the assignment? Also, make sure you’re aware of all that is required of the client to close and how long the process will take. **At Wintrust Life, we understand all the considerations our clients need to make when entering into a premium finance arrangement, and we’d be happy to work through them with you.**