

PREMIUM FINANCE

Selecting a premium finance vendor

The premium finance vendor is one of the most important roles in successfully executing a premium finance life insurance strategy.

In simplest terms, the premium finance vendor is chosen by a financial professional and potential client once the need for life insurance protection has been identified, and when an alternate funding arrangement to help pay the premiums on the life insurance policy may be an appropriate strategy. This premium finance vendor then works with a life insurance company to obtain the life insurance policy.

Due to the complexity of premium finance cases, Allianz Life Insurance Company of North America (Allianz) only works with pre-approved vendors.



What a premium finance vendor does

- Helps with policy and loan design
- Assists with collateral projections
- Makes a recommendation on which life insurance carrier and bank lender to use
- Participates in any client meetings
- Helps ensure all guidelines are met to help get the policy in force and lending requirements met
- Can participate in an annual policy review to determine whether:
 - the policy is on track
 - any adjustments are needed
 - the bank loan needs to be renewed
 - the bank loan should be restructured
 - the bank loan should be repaid, and when

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Products are issued by Allianz Life Insurance Company of North America, 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. 800.950.1962.

This notice does not apply in the state of New York.

Product and feature availability may vary by state and broker/dealer.

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How Allianz selects and approves vendors

- Interview process that includes:
 - Vendor history and policy experience
 - Their target market and solicitation methods
 - Their involvement in the process
 - Their annual maintenance plan
 - Their understanding and communication of the risks
 - The loan amount on the application
 - Their access to banks
- Review of solicitation material
- Review of policy designs, loan designs, and stress tests

What you should consider when choosing a vendor

- Provides the level of service you need – i.e., a full-service relationship or low-touch/maintenance only
- Ability to close the deal
- Frequency of work with your preferred life insurance carrier
- Number of life insurance carriers they work with
- Number of lenders they work with
- Policy design experience



FOR MORE INFORMATION ABOUT APPROVED PREMIUM FINANCE VENDORS WITH ALLIANZ – and about leveraging a premium finance strategy for your clients' life insurance needs – contact your Allianz sales representative.

Policy loans and withdrawals will reduce the available cash value and death benefit and may cause the policy to lapse, or affect guarantees against lapse. Withdrawals in excess of premiums paid will be subject to ordinary income tax. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. If a policy is a modified endowment contract (MEC), policy loans and withdrawals will be taxable as ordinary income to the extent there are earnings in the policy. If any of these features are exercised prior to age 59½ on a MEC, a 10% federal additional tax may be imposed. Tax laws are subject to change and you should consult a tax professional.

Allianz has not given any legal or tax advice related to the premium financing arrangement. Allianz assumes no responsibility for the obligations, demands, losses, or liabilities, including attorney fees, resulting from the premium financing arrangement.

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