



Nationwide®



SUCCESSION CAPITAL
ALLIANCE™

Premium Financing for High-Net-Worth Individuals

Nationwide® & Succession Capital Alliance™
Partnering to help you protect your future

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Take good care of your future with life insurance.

You've worked hard for your success, and you recognize the importance of protecting your financial assets as well as your legacy.

Nationwide provides life insurance that is vital to the security of families, businesses and futures. Yet acquiring the level of life insurance you need can come at a high price. Premium financing from a third party lender and with the assistance of Succession Capital Alliance may offer a way to obtain life insurance that decreases immediate out-of-pocket expense.

Get life insurance coverage without impacting everything you've built.

Premium financing can enable you to purchase your desired amount of life insurance without significantly impacting your cash flow.

An arrangement between you and a third-party lender allows you to borrow money at a competitive interest rate to pay for your life insurance policy premiums. Because you pay only the interest on the loan for a period of time, you can use the capital you retain to preserve, maintain and build assets in your existing portfolio or support your savings or cash flow needs.



of current family business leaders do not have a succession plan in place.¹

“
Life insurance, largely because of its tax benefits, can also be used as an investment.

”

— Forbes, 2019

1. KPMG 2019 Global Family Business Survey

Advantages of premium financing

Financing your life insurance can deliver significant benefits.



Retain capital

Keep high-returning assets like real estate, investment portfolios and closely held businesses to help preserve investment growth potential.



Leverage current assets

Your need for death benefit protection can be met by the use of these retained assets and policy cash values as collateral for the loan.



Take advantage of tax savings

More efficiently plan for minimizing gift and estate taxes and potentially avoid using lifetime exemptions by instead utilizing annual gift exclusions.



Increase potential IRR for permanent life insurance, death benefits and cash values

Reduce monetary outlay in the early years, thereby increasing long-term internal rate of return (IRR).



Capital Maximization Strategy™

The Capital Maximization Strategy (CMS) is designed around a more traditional approach to premium financing that requires the experience of a team that can continue the relationship beyond year one. It provides you or your business with the funds to pay your life insurance premiums without liquidating assets to cover the full premiums. By managing the loan renewal process, you are able to make adjustments to your policy. The combined benefit of incorporating leverage to purchase needed life insurance is both a cost-effective and tax-advantaged way to address your estate planning, business planning and asset accumulation objectives.

Use CMS for: estate planning, business continuation planning, potential asset accumulation, asset protection and existing life insurance.

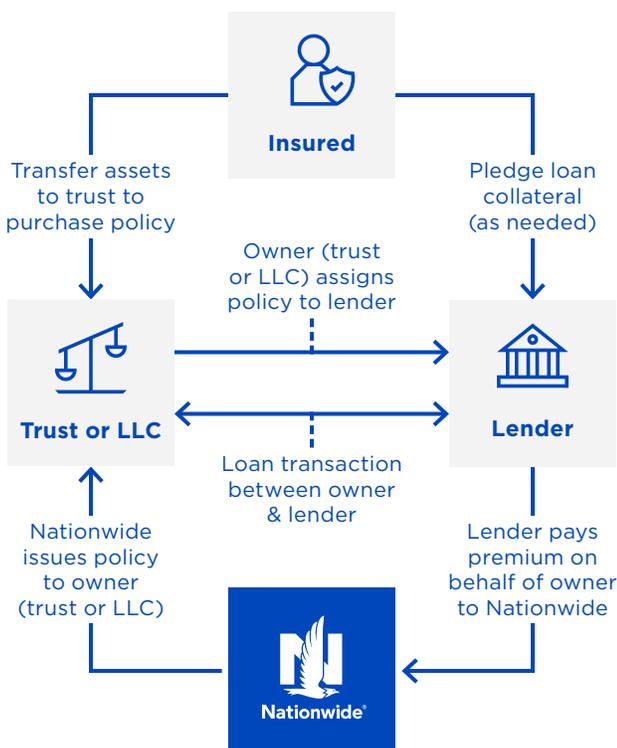
The success of premium financing can depend on working with a team that has expertise and experience using this strategy.

Succession Capital Alliance (SCA) is the exclusive provider of CMS.

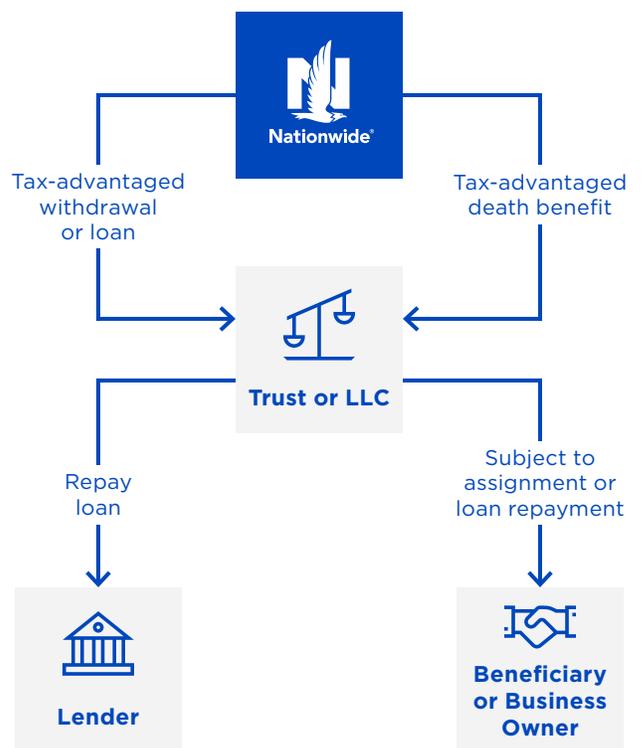
How does it work?

With CMS, you borrow funds at competitive interest rates to pay your life insurance premiums. You provide collateral to secure the loan through the policy's cash value and other performing liquid assets. The policy death benefit is assigned to the lender to cover the outstanding loan balance in the event of death prior to the loan repayment. The remaining death benefit is paid to the beneficiaries.

Establishing life insurance policy & loan



Using the proceeds from the policy



Is CMS right for you?

If you have significant assets to protect and invest and you do not wish to liquidate them — as they may be tied up in your business or assigned to other profitable investments — premium financing may be a viable solution. Individuals, corporations, trusts or partnerships with a need for a significant amount of life insurance, as well as clients who value choice, flexibility and the potential to maximize the purchase of the life insurance asset, may benefit greatly from premium financing.

Eligibility requirements:

Up to
75
years old

A minimum of
\$500,000
earned annual income

A minimum of
\$5M
net worth

Net worth: closely held business, real estate, liquid and illiquid assets



Important considerations

Make the most of your premium financing arrangement.

Premium financing is a method of paying the premiums for life insurance that you need — not a reason to buy life insurance. It's important to be aware of the risks associated with premium financing and the impact these risks may have on the life insurance policy, the amount being borrowed, the collateral requirements and/or payment of the outstanding loan balance.

These risks include, but are not limited to:



Changes to the loan interest rate



Non-renewal of the loan or modification of the loan agreement



Changes to the valuation of the posted collateral and/or the need for additional collateral



Loss of posted collateral which may include the life insurance policy



Lower than anticipated policy performance which may require the need to borrow additional premiums to fund the policy

With these risks in mind, it is important to understand the loan terms and plan for alternative ways to repay the loan, such as:



Outside assets



Policy cash values



Death benefit



Nationwide®

Your trusted life insurance partner for the long term.

Nationwide® is a Fortune 100 company with nearly a century of innovation and leadership. As a mutual company, we always put you and your clients first because we don't answer to Wall Street or shareholders. At Nationwide, relationships come first. We strive to make sure your experience is extraordinary.



**Genuine
values**



**Committed
partnerships**



**Accessible
services &
support**



**Adaptable
product suite**

With **\$274 billion** in assets, Nationwide has financial strength and stability you can rely on.



Financial strength rating

received: 10/17/02
affirmed: 12/17/20



Credit risk rating

received: 3/10/09
affirmed: 5/27/20



Credit risk rating

received: 12/22/08
affirmed: 5/7/21

These ratings and rankings reflect rating agency assessment of the financial strength and claims-paying ability of Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company. They are not intended to reflect the investment experience or financial strength of any variable account, which is subject to market risk. Because the dates are updated only when there's a change in the rating, the dates above reflect the most recent ratings we have received. They are subject to change at any time.



SUCCESSION CAPITAL
ALLIANCE™

Succession Capital Alliance™

Maximizing the performance of clients' life insurance assets for more than 20 years.

Succession Capital Alliance (SCA) has extensive two-fold network experience helping clients obtain the life insurance they need through premium financing. Relationships with top industry lenders have helped SCA deliver customized premium financing solutions that meet the unique needs of high-net-worth individuals and business owners.



Best loan rates due to the company's size and relationship network



Management services tailored to your unique circumstances and objectives



In the aftermath of the 2009 credit crisis, many financing programs left the marketplace and many lenders called their loans, but SCA continued to service their clients and their loans.

Frequently-asked questions

Why do high-net-worth individuals use CMS?

High-net-worth clients who seek to maximize the return on their assets may choose CMS because it enables higher rates of return on investments, offers gift tax advantages and allows clients to retain capital for use in other areas.

Why should my financial professional partner with SCA?

Premium financing is an ongoing process that requires someone with sophisticated knowledge to work with lenders and maintain proper funding. SCA is the largest, longest-running premium financing program in the industry, with a unique lending platform and a strong organization to back it up.

What do I need for collateral?

Lenders will first require you to assign the policy to secure the loan and may also require additional collateral in the form of liquid assets. Lenders reserve the right to change the valuation and nature of the collateral over the life of the loan, so changes in lending market conditions or the value of collateral assets may also require further collateral.

Do I have to qualify every year?

Nationwide is the insurance provider and is not part of the lending arrangement. Succession Capital will work with you and the lender to make sure ongoing requirements of the loan are being met.

Can I defer the interest?

No. Interest payments may not be capitalized into the loan; they must be paid out of pocket annually.

When and how is the loan typically paid back?

Repayment depends on the lender and the terms of the loan. The death benefit will be used to pay back the loan if death occurs prior to the maturity of the loan, which the lender may approve to extend over time.



For clients:

To learn more, contact your financial professional.



For financial professionals:

Contact our dedicated Producer Group Sales Team at **1-844-867-8159** or email **producergroup@nationwide.com**



Experience the extraordinary with Nationwide®





• Not a deposit • Not FDIC or NCUSIF insured • Not guaranteed by the institution
• Not insured by any federal government agency • May lose value

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