LIONSMARK CAPITAL'S LEVERAGED INDEX ARBITRAGE PROGRAM™

WHAT MAKES US DIFFERENT?

NO INTEREST ACCRUAL

Several premium financing programs will use ***interest accrual***, which means they encourage the client to roll the interest payments they would have paid, and roll the interest back into the principal loan balance. The problem with ***accruing interest*** is that the principal loan balance begins to compound unnecessarily (and at an uber-accelerated rate) and can put the client in a situation where the growth of the principal loan balance outpaces the cash value of the policy.

NO HIGH-EARLY CASH VALUE RIDERS

Another smoke-and-mirrors trick premium financing agents often use is designing the policy with high-early cash value riders. They claim the reason they do this is to lower the amount of collateral the client has to post, however it severely negatively affects the long-term cash value accumulation in the policy. It also attracts clients that are looking for an early-exit strategy, which by definition means that they are not the right candidate for premium financing. This is a long-term strategy.

NO OVER-LEVERAGED POLICY DESIGNS

Virtually every premium financing program in the market uses *First Dollar Financing*, meaning that the client borrows all the premiums, including the first year. In the ***Leveraged Index Arbitrage Program™***, the client pays a significant first-year premium, then typically starts financing premiums in the second or third year. Traditional premium financing organizations are often times puzzled by our design and claim that it negates the power of leverage. The reality is that in our ***Leveraged Index Arbitrage Program™***, the first year premium requirement is typically much less than the first-year outlay in a traditionally financed policy because in a traditionally financed policy, the client has to post a significant amount of collateral outside the policy. In our program, there is no outside collateral requirement.

OTHER SMOKE-AND-MIRRORS TRICKS

We have seen some programs that place the client's policy into a risk pool with other policies, where the client cannot touch the policy until the principal loan balance is paid off in full. We've also seen programs that utilize complex bond funds. All of these gimmicks make the concept of premium financing far too complex, and worse yet, far too aggressive and risky for the client. Our motto – to use a golf analogy – is that our design just lets the club do the work. There is no need to add these complexities and marketing gimmicks to a solid, prudent design, which is what our ***Leveraged Index Arbitrage Program™*** is all about.

For more information about our program, and more importantly, to see a side-by-side comparison to virtually every other viable option in the market, contact us for a full program demo and case study analysis.

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