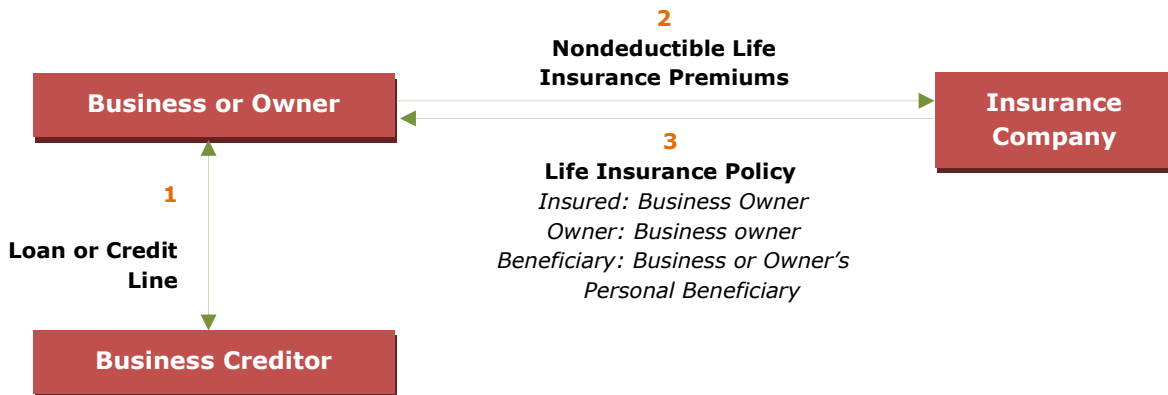


Business Loan Insurance Plan in Action

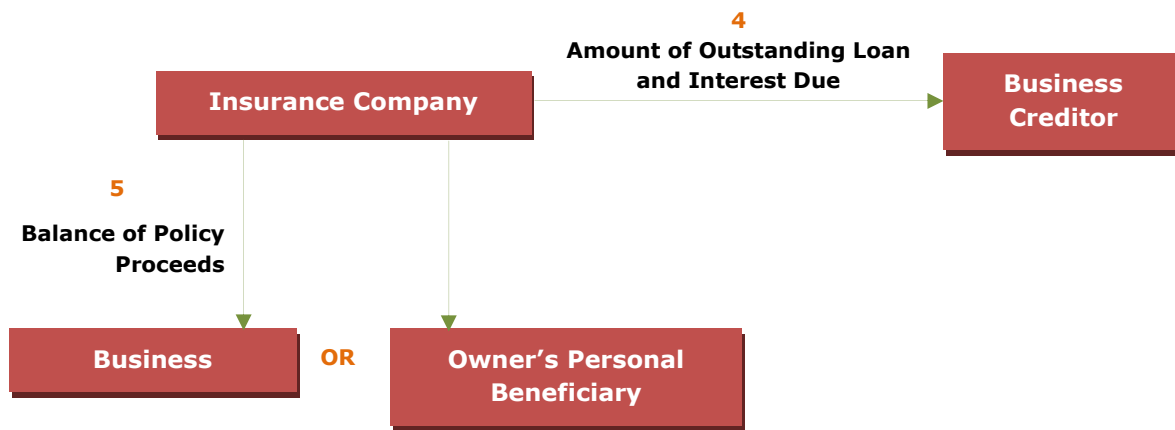
Here's how a business loan insurance plan could work for your business today...



1. The business or business owner obtains a loan or arranges for an open credit line.
2. The business or owner owns insurance on the owner's life in an amount approximately equal to the outstanding loan, and pays the nondeductible premiums. Either the business is named as beneficiary or the owner names a personal beneficiary, depending on who owns the policy.
3. Many creditors require a collateral assignment of the policy to the creditor "as its interest may appear."

Business Loan Insurance Plan in Action

Here's how a business loan insurance plan could work at the owner's death...



4. At the owner's death, the income-tax-free policy proceeds are first used to repay the outstanding debt plus any interest due. Assuming the policy was assigned to the creditor, the payment is made directly from the insurance company to the creditor. Otherwise, the full proceeds will be paid to the named beneficiary and are then available for loan repayment purposes.
5. Any policy proceeds not needed for loan repayment purposes can be used by the beneficiary - the business or the owner's personal beneficiary - to satisfy financial needs that arise at the owner's death.