

For Investment & Insurance Professionals Only

THE BENEFITS OF STRATEGIC PARTNERSHIP

ADVANCED LIFE INSURANCE DESIGN & PREMIUM FINANCING SOLUTIONS



SCHECHTER
INVESTMENTS / PRIVATE CAPITAL / INSURANCE

Your Advanced Design Partner

As a trusted advisor, your clients count on you to guide them through many financial aspects of their lives and businesses. Advanced life insurance design can be a great solution to accomplish objectives related to Business Succession, Buy/Sell Agreements, Deferred Compensation, Estate Planning, Charitable Planning, and Asset Protection.

Partnering with Schechter allows you to utilize our extensive and diverse wealth management knowledge and services, including:

- ✓ Bring unique ideas, capabilities and value to your existing clients
- ✓ Differentiate yourself with prospects
- ✓ Open more opportunities
- ✓ Increase the size of opportunities
- ✓ Increase closing ratios



HELPING ADVISORS
ACROSS THE COUNTRY



MULTI-DISCIPLINED TEAM
85+ EMPLOYEES



3rd Generation Firm

Rich in Family
History & Legacy



\$3.8 Million

in insurance commissions
paid to advisors over last
12 months



\$730 Million

of Cash Value



\$10 Billion
of Death Benefit



4,000+
Policies Under
Management



Insurance Strategy Design

Our team includes JDs, CPAs, LLMS, CLUs, PFSs, CAPs, MBAs, CFA® charterholders, CFP® practitioners, and CIMA® consultants with years of experience running the numbers and digging in deep to develop great outcomes for your clients.

SUPPORT PROVIDED

Access to our in-house insurance design team

Scenario modeling

Product recommendations

Insurance optimization

Stress testing

Access to proprietary research and backtesting

Independence allows us access to a wide range of insurance carriers and products

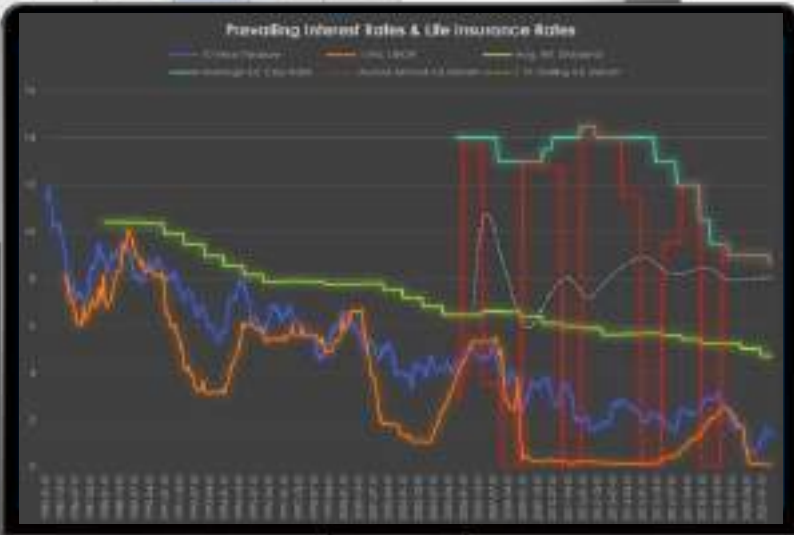
Policy Optimization



Wealth Transfer Strategy

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Year 1	1000000	1000000	1000000	1000000	1000000
Year 2	1000000	1000000	1000000	1000000	1000000
Year 3	1000000	1000000	1000000	1000000	1000000
Year 4	1000000	1000000	1000000	1000000	1000000
Year 5	1000000	1000000	1000000	1000000	1000000
Year 6	1000000	1000000	1000000	1000000	1000000
Year 7	1000000	1000000	1000000	1000000	1000000
Year 8	1000000	1000000	1000000	1000000	1000000
Year 9	1000000	1000000	1000000	1000000	1000000
Year 10	1000000	1000000	1000000	1000000	1000000
Year 11	1000000	1000000	1000000	1000000	1000000
Year 12	1000000	1000000	1000000	1000000	1000000
Year 13	1000000	1000000	1000000	1000000	1000000
Year 14	1000000	1000000	1000000	1000000	1000000
Year 15	1000000	1000000	1000000	1000000	1000000
Year 16	1000000	1000000	1000000	1000000	1000000
Year 17	1000000	1000000	1000000	1000000	1000000
Year 18	1000000	1000000	1000000	1000000	1000000
Year 19	1000000	1000000	1000000	1000000	1000000
Year 20	1000000	1000000	1000000	1000000	1000000

Historical Backtest: Current Specifications



Good, Average, & Bad Examples



Expert Findings

Running the numbers on a case with multiple design configurations with multiple carriers can result in "Aha" moments. Schechter's Advanced design team vets and tests these strategies and packages for the marketplace.

SUPPORT PROVIDED

- ✓ Complete marketing support developed for each: *Detailed Analysis / Illustrations / Presentation Deck / One Pager / Video*

- 2021 **SINGLE LIFE HIGH IRR – IRRs 9% - 12% ACTIVE**
Minimum funded policy for individual clients ages 75 to 85. Guaranteed 9% - 12% IRRs at life expectancy.
- 2015 **SINGLE LIFE HIGH IRR – IRRs 12% - 14%**
Minimum funded policy for individual clients ages 75 to 85. Guaranteed 11% - 13% IRRs at life expectancy.
- 2014 **SKIP DESIGN/HIGH IRR DESIGNS ACTIVE**
Skip Design – (Younger clients) For a very small initial premium, creates 20-40 years of no premiums. Skip design that allows the client complete flexibility for future use of the insurance.
High IRR Design – (Older clients) Minimum funded design allows the client to achieve 8%-16% tax free returns at life expectancy.
- 2013 **SKIP DESIGN/HIGH IRR DESIGNS**
Skip Design - (Younger clients) For a very small initial premium, created 15-30 yr. Skip Design that allowed the client complete flexibility for future use of the insurance. High IRR Design - (Older clients) Minimum funded design allowed the client to achieve expected 12-14% tax free returns at life expectancy.
- 2012 **MID-TO-LONG TERM STRATEGY – 5% to 6% TAX FREE RETURN**
Index account with a guaranteed floor of 2% and a guaranteed cap of 10%. All comparable products had a guaranteed cap between 0-4%.
- 2012 **TWO LIVES HIGH IRR – IRRs 12%-20%**
High IRR's for insured 80-85 with a guaranteed death benefit. When structured as a 10 pay, produced returns greater than any other comparable policy.
- 2010 **DOUBLE DEATH BENEFIT**
Allowed the client to carry double the death benefit for the first 15 years of the policy for no additional cost.
- 2009 **3% RETURN, LIQUID DAILY**
3.4% liquid alternative guaranteed to never be lower than 2.4%. No surrender charges.
- 2007 **SKIP PREMIUM DESIGN**
For a very small initial premium, created a 15-30 year skip period. IRRs between 10%-12%
- 2005 **2 PAY MISPRICING**
Policy was 30% less expensive by funding over two years instead of one.

Unique Strategies

We take life insurance to an entirely different level. We know that life insurance is not an off-the-shelf product; it is a chassis that, with the right design, can achieve a myriad of customizable objectives. Our research and design team builds life insurance solutions based on your client's unique circumstances. The end result is a policy designed specifically for your client, with a team in place to make changes to the policy as objectives or market conditions change.

OBJECTIVES

- ✓ Generate cash flow
- ✓ Transfer wealth without gift tax
- ✓ Finance existing or new premiums
- ✓ Optimize existing portfolio
- ✓ Own alternative investments in tax deferred and tax free environments

Conventional Uses

Estate Tax Liquidity

- Life insurance provides immediate, private, & tax-free funds that can be used to pay estate taxes
- Life insurance can be used to offset the estate tax if the grantor of a grantor retained annuity trust dies before end of the term
- Life insurance is an excellent asset to leverage the federal unified credit & generation-skipping transfer tax exemption

Asset Protection

- In most states personal life insurance is protected from creditors. Through proper planning, insurance can be used to protect corporate and personal assets

Wealth Transfer

- Move assets to future generations(s) using life insurance-based solutions

Business Plan

- Attracting & retaining top employees

Charitable Lead

"The Harbaugh Plan" Deferred Compensation

- Tax efficient way to provide incentive for an employee to stay through deferred benefits (like funding a Roth account for employee)
- Flexible ways to structure each plan

Special R

Private Placement (Hedge Funds)

- Access to Hedge Funds, Private Equity Funds, & Other Alternatives in a Tax-Efficient Life Insurance Wrapper
- Tax-Free Principal Growth with Tax-Free Access to Funds (Life)

Testamentary Charitable Arbitrage

- Provide above-market yields during the life of an individual who has earmarked cash or liquid assets for contribution to a charity at his or her death

Option Strategy (2nd to Die)

- Lock-In Future Insurability
- Low Initial Outlays With No Further Premiums for 20-40 Years

Premium Financing

- Banks are lending 100% LTV on Cash Value Life Insurance
- 2%-0% Expected Tax-Free Return / 10+ Year Investment Horizon

Mid to Long-Term Cash Accumulation

- S&P 500 Linked Return (Other Linked Indices Available)
- 5% Expected Tax-Free Return / 7+ Year Investment Horizon

Dynasty Trust Equity Basis Step-Up

- Pass assets to your client's lower tier heirs free of estate taxes and GST taxes
- Leverage the GST tax exemption using life insurance to create a larger legacy

Enhanced Charitable Lead Annuity Trusts (E-CLAT)

- Obtain a current income tax deduction for satisfying planned giving obligations
- Leverage charitable gifts to pass additional wealth to children

Unconventional Uses

Schechter Advisor Team Support

You can sit back with confidence and allow our team to develop the right programs for your clients and to provide you with materials to present and explain strategies to you clients. We are happy to support you at client meetings and on calls and support you every step of the way.



**Past performance is not indicative of future results*

FEATURES

Access to our advanced advisor team to be present at client meetings to help the sale

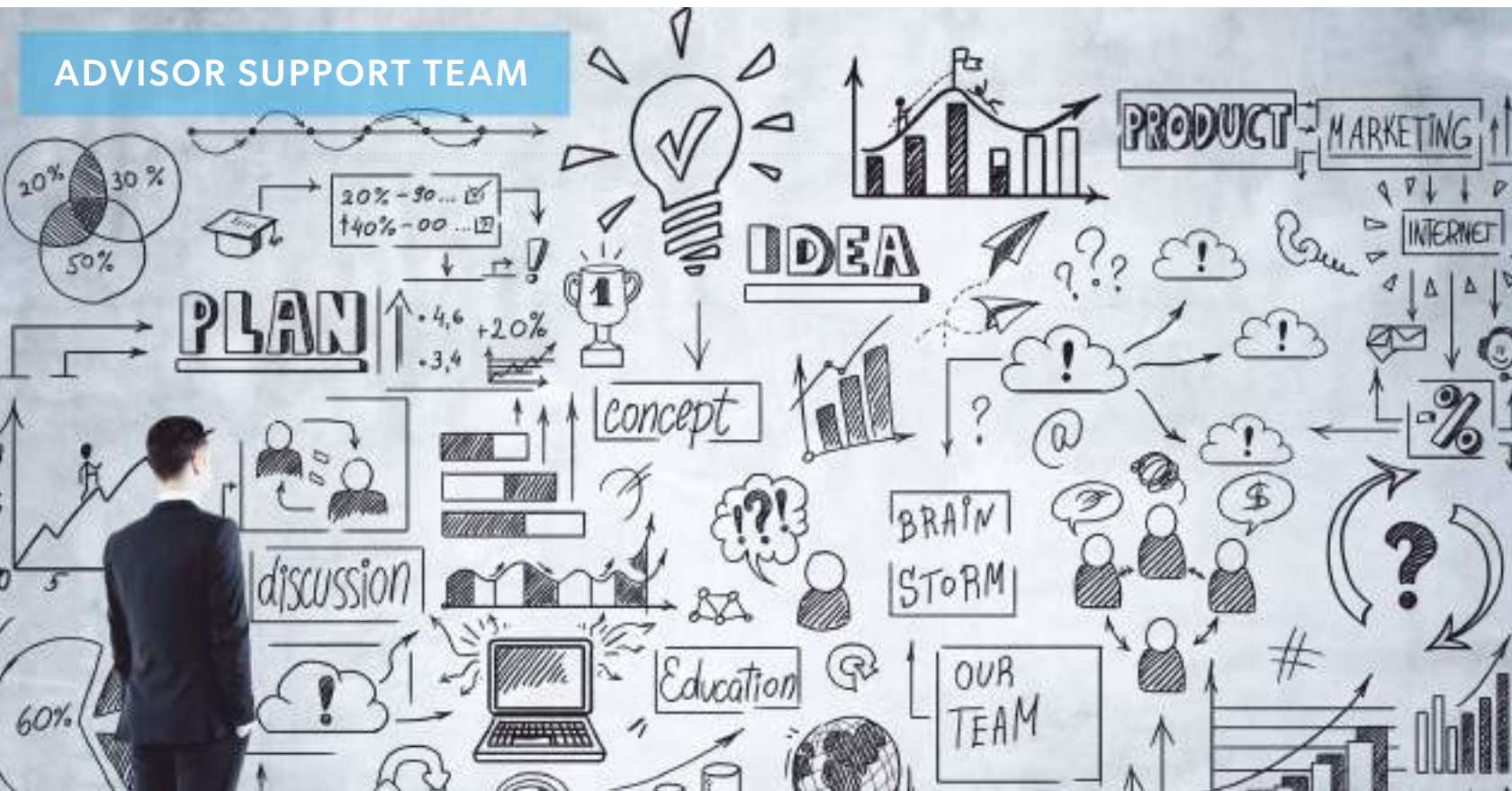


Ongoing meetings to review overall program



Additional client-facing support, as needed

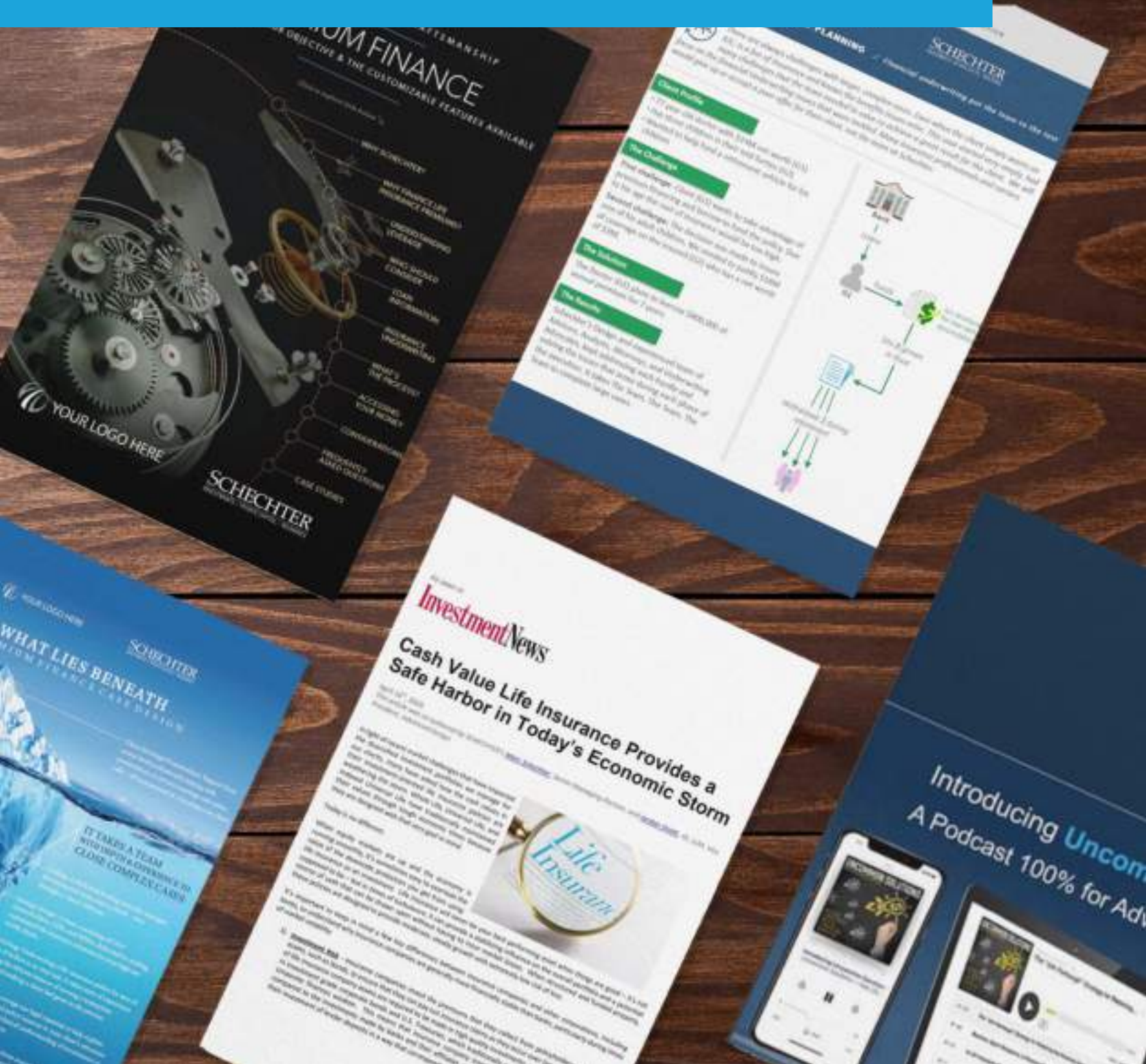
ADVISOR SUPPORT TEAM



Marketing Support

Co-Branded With Your Logo if Desired

We share our thinking with our partners via a wide range of marketing tools. Education is key when trying to explain advanced concepts to clients , thus we provide a broad range of communication materials to you and your clients.



Medical Underwriting

Medical underwriting is both an art and a science. Our team of Underwriting Advocates blends the two together to drive valuable offers and results for your clients. Of equal importance is the team's ability to make the client underwriting experience as easy and hassle free as possible.

300+
Cases Handled
Per Year

ACCESS TO
30+
Carriers

AVERAGE
CASE SIZE
\$70K
Commissions
+
\$5mm
Death Benefits

#3
or Better
Producer Group
with Major Carriers
& Multiple BGAs

SERVICES

- Gathering health information, physician statements, & other health records required
- Buying power with carriers – better prices & ratings & faster service from carriers
- Setting up & coordinating client exam(s)
- Handle all communication with insurance carriers – both primary & reinsurance markets
- Implementation of insurance placement after approval
- Delivering a superior Concierge-like service experience
- Application preparation & submission
- Negotiating final health underwriting offers



Estate Planning & Legal Support

Access to Schechter's team of diverse professionals, including estate and tax attorneys, is key to the success of your advanced case design. The proper structuring; client's objectives and explaining to your clients existing attorneys and CPAs is crucial to closing cases. Our team can be available to brainstorm with you and/or your client (and their advisors) to enhance the likelihood of creating the best design and strategy.

SERVICES

Review & analysis of estate planning documents

Ownership structure, recommendations, planning

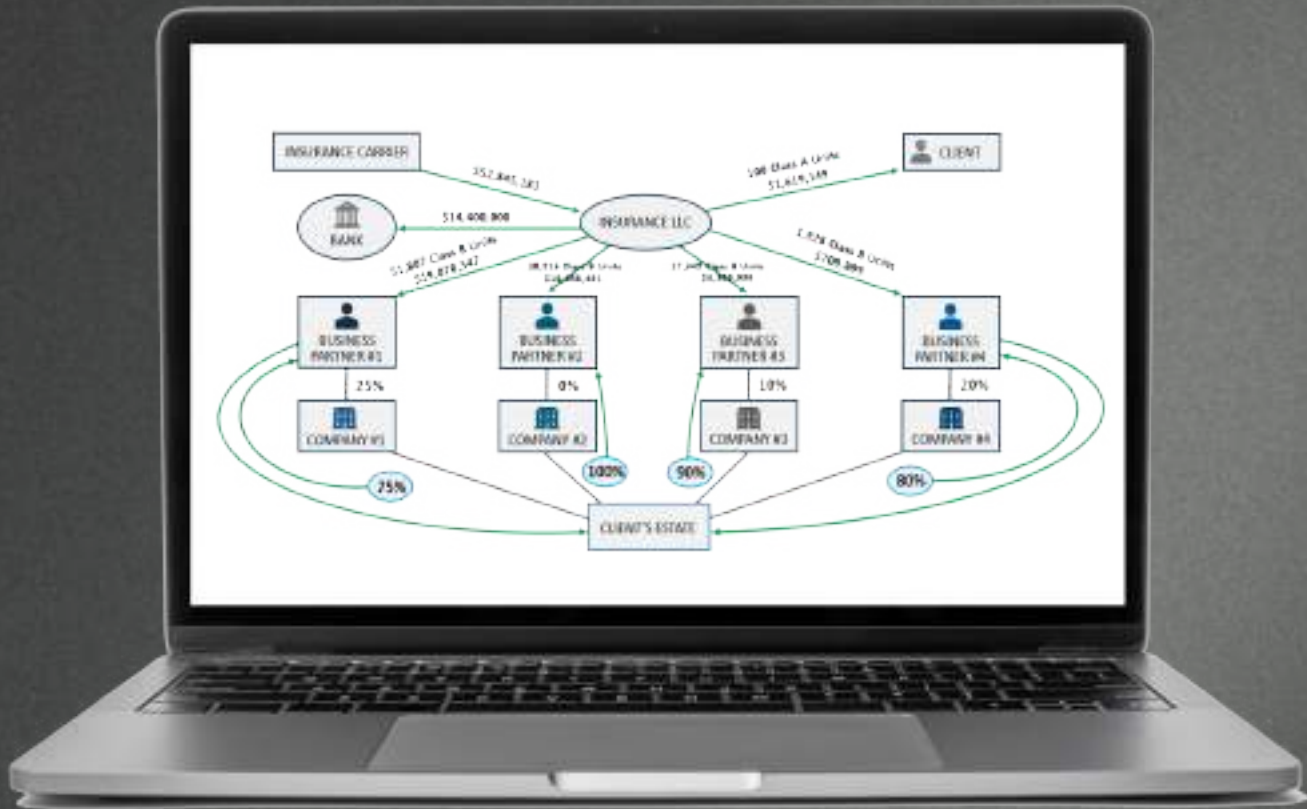
Customized estate planning assessment & evaluation

Trust Recommendations

Coordination with client's attorneys

Deferred compensation structure

Tax analysis



ADVISOR TESTIMONIAL



"I ran into four roadblocks in eight months. Schechter's in-house attorney, Jordan Smith, and his team helped me get through every one of them which I never could have gotten through on my own."

Jonathan J. Edwards, GFS®, ChFC®, AIF®, CFPA, Granite Financial Partners

Premium Finance: Lending/Banking/Financial Underwriting

We have extensive experience structuring premium finance cases and preparing documents for the carriers to justify insurable interest and insurable capacity for your clients. We leverage our deep industry knowledge and relationships - with highly rated lenders and carriers – along with our full-service back office, fit with strategy design analysts, attorneys, senior-level underwriters and post-sale service professionals, to ensure all details are covered.

WHY FINANCE LIFE INSURANCE PREMIUMS?

- ✓ Tax-efficient
- ✓ Flexible
- ✓ Powerful

Premium financing can be an efficient way to meet a myriad of objectives whether it be providing an additional tax-free income stream in the future, or a significant death benefit to pass to heirs.



STRUCTURE FOR CASH GROWTH

Building up cash in the policy is an effective way to grow leveraged dollars in a tax-free environment. The cash value in the policy can be accessed, via tax-free distributions, during your lifetime.

You may also opt to allow the cash to continue growing over time in the tax-free environment.



Ideal for those of life insurance—or to transfer and who d

Clients finance pro be for lack of liquid the bank's mon to provide benefi

COMPARE TWO STRATEGIES WITH OR WITHOUT FINANCING

ASSUMPTIONS:
SAME CASH OUTLAY
\$1,050,000

FEMALE | AGE 50 | PREFERRED HEALTH | LOAN INTEREST RATE: 3.75%



STRUCTURED FOR CASH GROWTH

YEAR 20
CASH AVAILABLE FOR WITHDRAWAL DURING RETIREMENT
(NET OF LOAN)

FINANCED
\$16.9M

NON-FINANCED
\$7.9M



STRUCTURED FOR ESTATE PLANNING

DEATH BENEFIT AT AGE 90
(NET OF LOAN)

FINANCED
\$19.2M

NON-FINANCED
\$8.3M



Our Premium Finance Guides are available exclusively to our Strategic Partners for white-labeling or co-branding options.

Policy Management & Service

Post placement service is key to advanced design cases and the unsung hero of our programs. Regular monitoring is not provided by the carriers. Our yearly performance reviews keep programs on track and running successfully for clients.

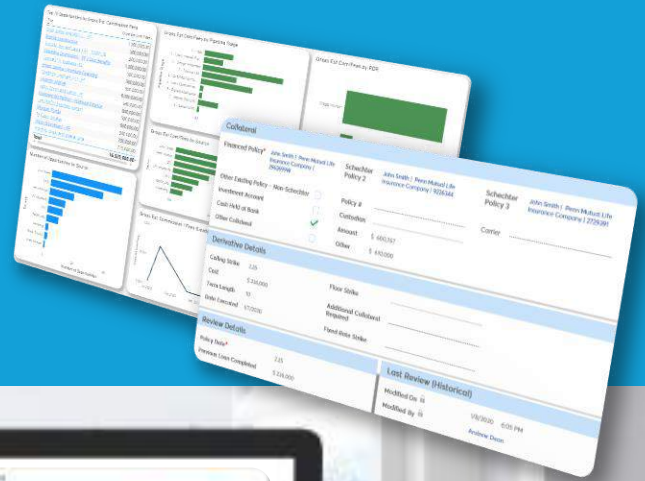
SERVICES

- Electronic Policy Binder
- Annual review of program and rejections based on actual results
- Assistance with beneficiary/ownership changes
- Facilitating any policy loans, withdrawals, or death benefit payouts
- Handling of any ongoing carrier communication



Tech Tools

Our technology systems will provide advisors with resources to build their businesses, and to manage the shared business we are placing. Our Web Portal will provide access to learning and marketing material that each Strategic Partner can use to drive business. Our CRM System will allow our partners to actively track their clients' cases in underwriting and be up to date on the status of each client throughout their buying journey.



✓ Expansive and custom developed CRM based in Microsoft Dynamics

✓ Tracking of pipeline and underwriting progress

✓ Holds client and advisor information

✓ Client communications history saved

✓ Tying households together

✓ Secure environment

✓ Ties client and advisor data together

