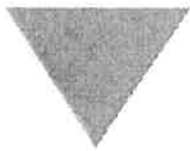
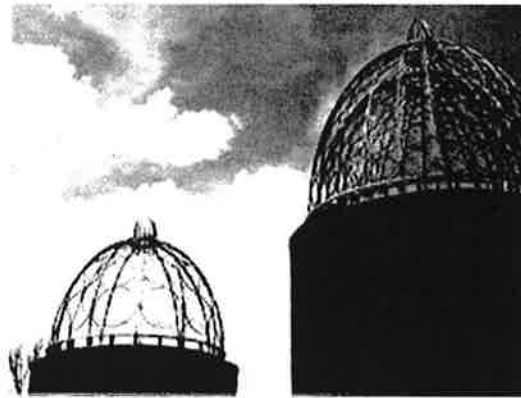


# **Bonded Life Capital**

## **A Multi-Life Benefit Plan**

**For**

## **Colleges and Universities**



**A Benefit Plan for the Endowment  
Funds of Colleges and Universities,  
Plus Additional Benefits for  
Professors and Administrators  
With No Out-of-Pocket Cost**

# Bonded Life Capital

## Important Information

- Bonded Life Capital is a variation on a strategy that has existed for over 50 years.
- This is a multi-life insurance program that is completely financed through a bond offering at 7 day floating market rates which is less interest than LIBOR rates, with the policies and a minimal liquid asset and or Letter of Credit serving as *short-term* collateral.
- The plan provides a benefit to both the College and whomever it chooses from the pool of professors and administrators with very little costs to the College, the endowment, **but no cost to employees.**
- The benefits to the College are in the form of non-taxable funds at a future time for current obligations and millions of tax-free dollars for the College's endowment at a future time.
- **Note:** this is not a short-term strategy, but a methodology for building significant funds down the road for both expenses and the College's endowment.
- The death benefits and the cash values from the policies can be used by the College for any purpose.
- The policies are for employees making \$75,000 or more, and are what is called guaranteed issue, which means all that apply are accepted. **NO MEDICAL EXAMS.**
- The death benefit of an individual's policy can be up to ten times (10x) the person's salary.
- Bonded Life Capital can serve as an attractive benefit when recruiting staff, and also as a form of "Golden Handcuffs" to retain staff. It amounts to a tax-free bonus/raise to the employee, as well as a crucial layer of protection for the employee's family. The death benefit is split between the College and the employee at whatever level the College chooses.

This Bonded Life Capital Strategy will help Colleges and Universities utilize their available resources for maximum benefit. This program is a Leveraged Split-Benefit COLI arrangement that will provide life insurance to College and University professors and administrative staff at no cost to them. It also provides funds to the College's Endowment through a benefit sharing strategy. The implementation of this plan will provide for a better working environment for professors and administrators, increased profits for the institution and overall enhancement of the College.

# Bonded Life Capital Highlights

1

## **Corporate Owned Life Insurance (COLI)**

The Bonded Life Capital Program is a Leveraged Split Benefit COLI arrangement.

2

## **Life Insurance with No Outlay**

Through the premium financing model, a College or University would be able to provide anywhere from \$100k to \$5 million of life insurance benefits to professors and administration at no outlay to the University or employees.

3

## **Increased Benefits**

Because the individual policies are taken out by the College as long-term investments, the College is able to offer benefits of up to ten times the annual salary of the employee.

4

## **Guaranteed Issue**

The policies are available as "guaranteed issue"; so everybody is eligible for these policies without a physical exam or a full medical underwriting.

5

## **Potentially Large Profits**

The combination of low-cost short-term funding and high cash-value life insurance policies allows for large potential gains.

### **We will help you to finance a group life insurance policy for all Professors and Executives at the College or University**

We will work with the College or University to finance a group life insurance policies which will cover all professors and administrators who make over \$75,000 per year.

The tax-free Death Benefit on the individual policies will be split between the employee named beneficiary and the College endowment. The split of the Death Benefit is determined by the College.

Our group will raise the premiums for the policies through a bond.

A bank and will invest and manage the bond money and administer the plan. The College endowment will offer a Letter of Credit (LOC) or cash backed asset as short term collateral. This LOC/asset covers the early year's shortfall between the premiums paid to date versus the cash surrender value of the policies.

When the time comes for the insurance company to pay out the value of a policy, the Death Benefits will be paid directly into the College endowment.

# Bonded Life Capital Benefits

## FOR THE COLLEGE

1. Offering substantial amounts of life insurance at no cost to the employees can aid a College or University in attracting and retaining top talent.
2. Because the policy's cash values exceed the death benefits, the program can result in large returns for the College with little or no initial investment.
3. Funding is predictable and determinable. The use of life insurance as the informal funding instrument assures that assets are available when required.
4. The College is free to select which professors and administrators are to be included in the plan, and the precise levels of benefits.

## FOR THE EMPLOYEES

1. Substantial survivor benefits (more than most individuals would otherwise be willing to pay for) are made available to the Key employees of the College or University at no cost to them.
2. The benefits can help to provide for a staff member's family in the event of an untimely or unexpected death.
3. The benefits are portable, meaning that professors/employees can keep the policy even if they no longer work at the College.
4. The employees are relieved from purchasing additional life insurance to supplement their benefits, so they are able to keep more of their income.