

THE ADVISOR QUARTERLY



SUMMER/FALL 2013 issue FOURTEEN

BIG NEWS at GFD!

GFD has big news! As the result of new arrangements with our lending partners, we are excited to announce a number of changes at GFD. First and foremost among the changes, GFD is now offering the option for traditional premium financing structures (Leveraged Planning® Solutions for Individuals). In addition to this important change, we have updated our rate structures, overhauled our marketing materials, rolled out a new website, and much more!

NEW LENDING CAPABILITIES

Historically, GFD has limited the scope of Leveraged Planning solutions to commercial borrowers only. Now, we are excited to announce the ability to lend to a traditional irrevocable life insurance trust (ILIT): often referred to as “traditional premium finance”. GFD’s Leveraged Planning Solutions for Individuals are typically structured in the same way as a traditional premium financing arrangement. To learn more about Leveraged Planning Solutions for Individuals, please visit page 2.

RATE CHANGES

The rate tables have been updated. Our lending partner, Global One, has changed the basis for its rate offerings. In order to insure pricing for loans that reduces long-term volatility, more accurately reflects underlying costs and insures maximum risk

reduction achievable for both the client and G1, the rate tables were updated effective August, 2013. In addition to the business goals of a rate restructure, the tables will now align more closely with the rest of the insurance and annuity based lending industry. The new rate structures now reflect a focus on funded loan amounts instead of the historical focus on booked loan amounts. This change enables GFD’s agent affiliates to conduct true “apples to apples” comparisons when looking at the GFD offering in the marketplace. For more information, we invite you to look at the new G1 new rate sheet (available on the newly revised GFD Global Gateway), or contact your FSM today at 800-515-2599.

AND MORE

In addition to the changes we’ve outlined above, we are launching

what’sINSIDE



- Leveraged Planning Solutions for Individuals
- 5 Tips for Smooth Sailing
- New Look, New Offerings
- Case Study: Premium Financing
- ARC/Leaders in Leverage Update

a new website and overhauling our materials to reflect the changes to our lending capabilities, our rates and more! For more information, please visit page 4 to learn about the new materials, website and other changes we are rolling out.

Leveraged Planning Solutions for Individuals: GFD's Traditional Premium Finance Offering

For years, GFD focused its efforts structuring insurance and annuity based planning solutions strictly for business borrower clients. Now, we are excited to announce that we are offering clients the ability to use an irrevocable life insurance trust (ILIT) as the borrower for the Leveraged Planning Solution to their estate planning or wealth creation needs.

Leveraged Planning Solutions for Individuals enable high net worth clients to take advantage of GFD's extensive experience in structuring customized insurance and annuity backed financial strategies.

These individuals can now work with GFD in establishing an ILIT and structuring a plan that provides for their future financial needs – including income generation, estate tax planning and more.

With very few exceptions, the terms of the Leveraged Planning Solutions for Individuals are identical to those we've always offered for businesses. For a detailed overview of terms, we invite you to visit the GFD Gateway and download the term sheet. While

Competitive rates, streamlined application and approval processes, flexibility – all of these are the reasons that advisors have consistently chosen to work with GFD...

there, please download the rate sheet as well.

Competitive rates, knowledgeable sales support, streamlined application and approval processes, and flexibility – all of these are the reasons that advisors have consistently chosen to work with GFD in implementing Leveraged Planning Solutions for Businesses.

Now, we offer all of those same powerful advantages and benefits to individuals hoping to use the power of leverage to dramatically alter their financial future.

For more information, please contact your FSM today at 800-515-2599.

MISSION: Financing Success With GFD

Meet
Buzz Aldrin
at Booth
#815

GFD will be exhibiting at the National Association of Independent Life Brokerage Agencies (NAILBA) Annual Conference November 21 - 23, 2013 at the Gaylord Texan Resort & Convention Center in Dallas. If you're attending, stop by Booth #815 on Thursday the 21st between 11:30am - 1:45pm to receive a special ticket to meet our special guest, Astronaut Buzz Aldrin, and receive an autographed copy of his newest book (quantities are limited)!





CASE STUDY

Traditional Life Insurance Premium Financing

GLOBAL FINANCIAL DISTRIBUTORS NOW OFFERS TRADITIONALLY STRUCTURED PREMIUM FINANCING SOLUTIONS UTILIZING AN IRREVOCABLE LIFE INSURANCE TRUST (ILIT) AS THE BORROWER AND LOAN SERVICING ENTITY. LET'S TAKE A LOOK AT A QUICK CASE STUDY OF A GFD LEVERAGED PLANNING SOLUTION FOR A TRADITIONAL PREMIUM FINANCING NEED.

The client, Susan Collins (age 62), had a gross total estate value slightly in excess of \$50 million.

Her estate plans called for a bequest of at least \$10 million to each of her three children (\$30 million total) – with the balance going into a charitable trust for division among several different organizations.

The estate tax for each of the three individual bequests to her children was anticipated to be \$3.3 million (\$9.9 million in total). Since Mrs. Collins was committed to providing the maximum amount possible to both her children and the charitable organizations she had supported for many years, she needed a solution that could help to alleviate the tax burden on her estate.

After looking at a range of options provided by her financial planner, Mrs. Collins settled on a traditional premium financing arrangement from GFD's Leveraged Planning solutions offering set.

Mrs. Collins' financial planner and family attorney worked with her to establish an ILIT that could act as the funding source and servicer for the loan arrangement that GFD facilitated with Global One Financial. GFD helped Mrs. Collins' financial team select an insurance product that was illustrated to provide a cash value upon her death that was sufficient to cover the expected tax costs that would be incurred during the transfer of her estate.

The total loan amount of \$2,879,664 was used to fund 4 annual premium payments of \$719,916 each.

The loan principal would be paid off by a distribution from the estate.

The policy was fully funded within 4 years and the estate of Mrs. Collins was prepared to meet its tax obligations thanks to a traditional premium finance offering from GFD.



- > GFD does not provide tax advice. All clients must confer with their financial and tax advisors on matters of deductibility or tax treatment.
- > The client's loan utilized a floating interest rate based on the 1 year LIBOR rate plus spread.
- > Policy growth assumed as illustrated.
- > Results will vary depending on interest rates and policy crediting rates.
- > Mrs. Collins is a hypothetical client; program specifics are based on actual loan and insurance policy illustrations.

NEW LOOK, NEW OFFERINGS

NEW WEBSITE

We've totally overhauled our website to make finding the information you need faster and more efficient.

The new GFD website, www.globalgfd.com, now enables visitors to quickly find sample rate information, product descriptions and short case studies faster than ever before.

Additionally, we've updated the GFD Gateway to give advisors the ability to more rapidly find what they need and keep track of their cases and ARC credits. Your current login (email address) and password remain the same, but if you have any issues accessing the GFD Gateway, please contact your FSM to reset your password.

Visit www.gfdgateway.com to login today.



NEW MATERIALS

GFD is launching a completely overhauled set of marketing materials for you to use when you are working with your clients. Among these items are new case studies, new offering overviews (that reflect the addition of traditional premium finance lending to our product group), revised rate sheets, Leveraged Planning overviews and loan highlight sheets.

In addition to the new materials outlined above, we are also rolling out a series of new white papers covering such topics as Buy-Sell Agreements using Leveraged Planning, Leveraged Planning Exit Strategies, Key Person Life Insurance using Leveraged Planning and much more. Visit the Global Gateway regularly to see what's new that you can use during your sales process.



5 Tips for Smooth Sailing

Getting cases submitted and processed smoothly is one of our top priorities at GFD. There are many things an advisor can do to ensure that their case proceeds smoothly through the pipeline and closes successfully. This year, we will provide a few tips in every newsletter that will help you process cases quickly and efficiently.

1 2 3 4 5

Make certain that the application (LUF) is complete; specifically, include social security number and date of birth. P.O. Boxes cannot be listed as the primary address.

Prep your clients regarding the financial documentation they will need to provide. Leave the Case Submission Procedures and Requirements document at the client's office and let them know they have to gather their tax returns, driver's license and other required documents.

Ensure that assets and liabilities listed on the LUF are personal and not corporately owned.

For Corporate Borrowers, be sure to include the total value of the business (the portion that the client owns) on the LUF in the asset column. Ensure that the Articles of Incorporation are state stamped and accepted by the state.

For Trust Borrowers, be sure to complete the Action of the Trustee document and Premium Finance Disclosure.

upcoming **WEBINARS**

OCTOBER 2013

POWER PROSPECTING:

IDENTIFYING THE RIGHT CLIENTS

October 9, 2013, 3:00pm - 4:00pm ET

MANAGING THE CASE PROCESS

October 16, 2013, 3:00pm - 4:00pm ET

UNDERSTANDING LEVERAGED PLANNING SOLUTIONS:

PLANNING OPTIONS FOR BUSINESSES AND INDIVIDUALS

October 23, 2013, 3:00pm - 4:00pm ET

NOVEMBER 2013

UNDERSTANDING LEVERAGED PLANNING SOLUTIONS:

PLANNING OPTIONS FOR BUSINESSES AND INDIVIDUALS

November 6, 2013, 3:00pm - 4:00pm ET

POWER PROSPECTING:

IDENTIFYING THE RIGHT CLIENTS

November 13, 2013, 3:00pm - 4:00pm ET

MANAGING THE CASE PROCESS

November 20, 2013, 3:00pm - 4:00pm ET



LEADERS IN LEVERAGE: UPDATE

DID YOU QUALIFY FOR LEADERS IN LEVERAGE LAST YEAR? DID YOU JUST MISS MAKING THE LIST? IF YOU NEARLY MADE IT, OR YOU'RE INTERESTED IN RECEIVING THE REWARDS AND RECOGNITION THIS YEAR, YOU STILL HAVE PLENTY OF TIME TO PUT YOUR NAME UP IN LIGHTS. BELOW, YOU WILL FIND A QUICK OUTLINE OF THE AWARD LEVELS.

Gold Leaders	Platinum Leaders	President's Club
Must close at least one case with at least \$1 million in booked loan value*	Must close at least three cases with at least \$5 million in booked loan value*	These awards will be given at the sole discretion of GFD management and will require a minimum of \$5 million in booked loan value for initial consideration*

*Note: cases must be closed within a calendar year. Award eligibility resets at beginning of each calendar year.



THE ADVISOR'S RECOGNITION AND COMPENSATION PROGRAM FROM GFD

The year is half over but you still have plenty of time to get your business submitted and start earning credits with the ARC program.

If you've already submitted and closed cases, but you haven't enrolled yet, you can download an enrollment kit online at WWW.GFDARC.COM or contact your FSM directly.

What is possible with ARC? As of the end of the first quarter of 2013, five agents working with GFD have already closed enough business to create credits potentially worth over \$100,000 apiece for their respective accounts.

interesting STATISTICS

A recent survey found that 60% of small business owners say they aren't on track to save the money they'll need for retirement. 73% are concerned that they won't be able to save enough for the lifestyle they'd like when they retire.

(Source: American Express OPEN Small Business Monitor Survey)

When asked what the main reason was to have their own business, 38% of small business owners surveyed indicated that they always dreamt of running their own business, while 24% stated that it was a family or personal obligation and 23% started their own business because they were unhappy in the corporate world.

(Source: Sage Reinvention of Small Business Study)

