Life

Premium finance guidelines

Midland National® Life Insurance Company

Premium finance guidelines

Midland National will consider Premium Finance cases that meet the following requirements:

Insured/Owner

	Requirements	Notes
Owner	Individual - U.S. Citizen or green card holder U.S. Trust U.S. Business	May not be a charity Must have insurable interest on insured based on our underwriting guidelines. Must have estate or business need for amount of insurance protection Must have sufficient assets/income to fund the policy without premium financing (e.g., must be able to afford the premiums without premium financing)
Age of insured	18 min - 70 years old max	No juvenile insureds
Individual financial qualifications	$10 million net worth $200,000 annual income	Must have: Ability to post collateral now and in the future Funds to pay annual premiums, and repay loan Sufficient income to support lifestyle Other requirements as appropriate
Collateral	Full recourse financing required	Policy Owner must have other assets that are used as collateral for the loan (i.e. collateral cannot be solely the life insurance policy's cash value)

Lender and Loan

	Requirements	Notes
Lender	Has anti-money laundering (AML) policy and follows Office of Foreign Assets Control (OFAC) guidelines	Not producer, trustee of trust-owned policy, or affiliated with trustee
	U.S. domiciled	Not associated with hedge fund or investor group that purchases insurance
	Amenable to using Midland National collateral assignment form	Any non-Midland National form will require further review and approval by Midland National Legal.
Bank Loan	Generally, 5 - 7 year loan	
	Generally, interest and/or loan fees payable annually, not accrued	
Exit Strategy	Planned lender loan exit must be before life expectancy (i.e. illustrated as lifetime lender loan repayment, without relying on death benefit)	

Financial professional

	Premium financed	Non-premium financed
Illustrations	Illustration showing both current and guaranteed assumptions	Current illustrations
	Stress testing must be completed per Midland National guidelines: Years 1-3: 0.01% illustrated rate Years 4-10: current illustrated rate Years 11-13: 0.01% illustrated rate Years 14+: current illustrated rate	Current illustrated rates
	Must be signed	Must be signed
Forms/Documents required to be completed and submitted	• Life Insurance Premium Financing Client Disclosure & Acknowledgement • Life Insurance Premium Financing Financial Professional Disclosure & Acknowledgement • Release of Customer Information Authorization • Life Insurance Premium Financing Submission Form • Proof of Errors & Omissions coverage that includes premium financing • Lender Loan sheet, when available	
Premium Finance Case Review Committee	Must receive approval from Midland National prior to submitting formal life insurance application that will be premium financed	
Other considerations	Financial professional may not: • be the insured • be the immediate family of insured • receive or provide compensation to or from lender	
	Maximum $5 million premium per case per financial professional per year; cases above this maximum premium threshold require home office approval.	

Product

	Requirements	Notes
Availability	Strategic Accumulator® IUL 3	Cannot be a Modified Endowment Contract
Retention Limits		Up to $10 million on several currently marketed permanent products, subject to company guidelines.

Midland National reserves the right to restrict premium financed sales at our discretion.

Midland National is a product provider.

Strategic Accumulator IUL® 3 is issued on the state version of policy form P100/ICC22P100 including all applicable endorsements and riders, by Midland National® Life Insurance Company, West Des Moines, IA. Products, features, riders, endorsements, or issues ages may not be available in all jurisdictions. Limitations or restrictions may apply.

For most policies, withdrawals are free from federal income tax to the extent of the investment in the contract, and policy loans are also tax-free so long as the policy does not terminate before the death of the insured. However, if the policy is a Modified Endowment Contract (MEC), a withdrawal or policy loan may be taxable upon receipt. Further, unpaid loan interest on a MEC may be taxable. A MEC is a contract received in exchange for a MEC or for which premiums paid during a seven-year testing period exceed prescribed premium limits (7-pay premiums).

Sammons Financial® is the marketing name for Sammons® Financial Group, Inc.'s member companies, including Midland National® Life Insurance Commpany. Annuities and life insurance are issued by, and product guarantees are solely the responsibility of, Midland National Life Insurance Company.

MIDLAND NATIONAL®
A Sammons Financial Company

Administrative Office
Sioux Falls, South Dakota
MidlandNational.com