

Premium-Financed Life Policy — Reality Checklist

A plain-English pull-list so you can see where the loan and the policy actually stand. Not legal advice. Don't send passwords, SSNs, or full account numbers to anyone in a DM.

1) Pull these documents (same week)

- Current **loan statement** (balance, rate, fixed vs floating, maturity, next payment)
- Lender's **collateral / LTV formula** in writing (what triggers a call)
- Latest **in-force illustration** or annual statement from the carrier
- Original **sales illustration** you were shown at purchase (if you still have it)
- Policy summary: face amount, product type (IUL / UL / other), issue date, premiums
- Any **collateral call / margin / default** notice you've received

2) Write down these six numbers

#	Number	Yours
1	Outstanding premium-finance loan balance	_____
2	Current loan interest rate (+ fixed or floating)	_____
3	Policy cash surrender value (not "account value" alone)	_____
4	Extra collateral lender wants (cash / securities / other)	_____
5	Annual premium the loan is supposed to cover	_____
6	Death benefit / face amount	_____

3) Quick health check (circle what fits)

- Loan balance is **higher** than cash surrender value
- Rate is **floating** and has risen since you signed
- You've had (or been warned about) a **collateral call**
- You were told it was "free," "self-funding," or "death pays the bank"
- Illustration assumed strong credits every year with little rate stress
- You found the seller via TikTok / Instagram / YouTube / seminar "coach"

3+ boxes checked → you're in the common stress pattern for financed permanent policies. Worth a calm triage before putting more cash in.

4) Questions to ask your lender / carrier (copy/paste)

1. What exact formula triggers the next collateral call?
2. If I pay the call, how long until the next review?
3. What happens if I stop funding — lapse, surrender, loan acceleration?
4. Can you send an in-force illustration at 0% credit and +2% loan rate for 3–5 years?
5. What are my exit options without a fire sale of pledged assets?

5) Safe next step

Line up numbers 1–4 side by side. That gap (loan vs cash value vs collateral demand) tells you whether the near-term path is **pay / restructure / reduce / exit / get a second opinion** — before you wire more money. Questions: pmc@gruposfe.com.