

# Premium Financing

DISCLOSURE AND ACKNOWLEDGMENT  
TAX AND / OR LEGAL ADVISOR ACKNOWLEDGMENT



# MetLife®

## DISCLOSURE AND ACKNOWLEDGMENT

Applicant has applied to purchase life insurance from a Metropolitan Life Insurance Company (“MetLife”). In connection with the application for life insurance, Applicant is considering borrowing from a third party lender to pay for some or the entire premium related to the proposed life insurance. For the purpose of clarifying the roles of the parties regarding these transactions, MetLife is providing this Disclosure and Acknowledgment form but acknowledges that all of the statements contained herein may not pertain to all premium financing arrangements and that it is the responsibility of the Applicant to discuss the particular risks and benefits of a particular premium financing arrangement with his or her advisor. The Applicant understands and agrees as follows:

1. Premium financing involves certain lending risks, including but not limited to: change in interest rates; increased premium costs, market volatility, change in collateral valuation, margin calls, and termination, modification, or non-renewal of the loan. These risks include the risk that life insurance protection will not be present at the time of the insured(s) death either because the lender has foreclosed on the policy or because the amount owed to the lender exceeds the insurance proceeds, in which case additional funds may be needed to repay the loan. If the policy is surrendered, the policy owner will be taxed on any policy gain even though the policy proceeds are paid to the collateral assignee.
2. Applicant is solely responsible for the selection of the lender and negotiation of the terms of any loan or financing agreement.
3. Neither MetLife, nor any of their representatives, express any opinion or endorse any specific financing arrangement or lender.
4. MetLife does not authorize any of its representatives to endorse or recommend premium financing. MetLife does not provide lending, tax, or legal advice, and Applicant has not relied on MetLife, or any of their representatives in deciding whether to enter into any premium financing arrangement.
5. Applicant is relying solely on the advice and recommendation of his or her own tax and legal advisors about whether to enter into a premium financing arrangement including but not limited to advice as to the state and Federal income, gift and estate tax implications of premium financing, and premium financing involving policies classified as Modified Endowment Contracts (MEC)
6. MetLife is not a party to, or bound by, any of the provisions or representations relating to any premium financing arrangement related to the proposed life insurance, except as may be required under any properly executed collateral assignment arrangements.
7. Illustrated premium payments, accumulation values and death benefits are hypothetical and not guaranteed. These hypothetical values are based on the proposed Insured(s) age, sex, risk class, death benefit option, and any riders shown. The actual credited interest rate, cost of insurance rates, any policy loans, withdrawals, or policy/rider changes will affect the actual results and may impact the financing arrangement and duration of the policy.
8. The sale of any life insurance policy to Applicant is in no way contingent upon Applicant’s receipt of financing for any or the entire premium related to the policy.
9. In general, interest on a loan to finance the purchase of insurance is not tax deductible.

Acknowledging the above, Applicant hereby releases and holds MetLife, and their directors, officers, employees, and representatives, harmless from any and all claims, demands, expenses, actions, causes of action, or suits of any kind or nature, both known and unknown, arising out of, related to, or in any manner connected with any premium financing arrangement entered into in connection with the proposed life insurance.

\_\_\_\_\_  
Applicant (Print Name)                      Signature                      Date: \_\_\_\_\_

\_\_\_\_\_  
Insured (if different)                      Signature                      Date: \_\_\_\_\_

\_\_\_\_\_  
Owner (if different)                      Signature                      Date: \_\_\_\_\_

## TAX AND / OR LEGAL ADVISOR ACKNOWLEDGMENT

I hereby acknowledge and represent as follows:

1. I am the tax and/or legal advisor for the Applicant signing above, and am currently licensed to practice in the State of \_\_\_\_\_.
2. I have reviewed the documentation pertaining to the premium financing arrangement being contemplated including any confidentiality agreements.
3. I have provided counsel to Applicant regarding the legal aspects of premium financing as it pertains to the purchase of life insurance, including state and Federal income, gift and estate tax ramifications. I have also provided counsel regarding tax shelter regulations as they pertain to confidentiality agreements the Applicant may have been asked to sign.
4. I have reviewed and agree with the statements on this Disclosure and Acknowledgment form.
5. I further acknowledge that I am providing the tax and/or legal advice to the Applicant about whether to enter into any premium financing arrangement to pay some or all of the premium related to the proposed life insurance. In this advice, I have not sought nor received the opinion or endorsement of MetLife or their representatives, regarding premium financing in general or any specific premium financing agreement in rendering my advice.

\_\_\_\_\_  
Tax and / or Legal Advisor Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Tax and / or Legal Advisor Printed Name