



## ENDOWMENT FUNDING PROGRAM EXECUTIVE SUMMARY

The Endowment Funding Program (EFP) allows non-profit groups to generate significant revenues through the use of charitable insurance using standard life insurance policies.

- Did you know there is an asset that your donors have that they may not be aware of? That asset is their unused insurance capacity and your charity can benefit.
- The process starts with a non-profit corporation, "Sponsor," identifying individuals that would be willing to be insured. Criteria required: men 65-85 and women 70-85. Individuals would be part of the sponsor's affinity group such as: employees, donors, board members, etc. There is no out of pocket cost to the individual donor.
- How are the insurance payments made? The Sponsor issues a bond program that will be prepared and sold by our investment banking partner. The proceeds from the bond program are used to pay the first years' premiums and all program costs.
- The remaining majority of the funds are placed in a bond reserve fund to pay interest on the bonds and the future insurance premium payments. This will continue until the death benefits are sufficient and can begin to repay the bond principal. Once the bonds are repaid, the Sponsor will receive all remaining funds, including death benefits.
- The result of this structure is that the Sponsor will most likely not have to use any of its own resources to pay interest or principal on the bonds. The EFP is structured in a conservative manner so that the Sponsor will not generally be adversely affected.
- When the insured person passes away, the life insurance company pays the death benefit to the Reserve Fund, and the Sponsor pays principal and interest on the bonds until it is paid in full. Once it is paid in full, all remaining funds and future death benefits from surviving insured persons will flow to the Sponsor directly.
- EFP's that are currently operating have seen an average *net* benefit to the Sponsor of \$123,880 per insured life over the course of the program. That is over \$4 million dollars with only the minimum of 35 participants. There is no maximum number of participants.

***Just imagine the difference a substantial endowment program could do for your non-profit organization!***

Cornerstone Insurance Agency is ready to work with you throughout the entire process.  
**Call 678-341-3628 today** to find out more and to schedule a presentation.

*Cornerstone Insurance Agency and its Agents, Brokers, and Representatives do not Give Tax or Legal Advice. Interested Parties are Urged to Seek Independent Legal and Tax Consultation.*