

Growing a Business with an iLOC

Summary

Jeremy had no idea when he bought his whole life policies that someday he'd use them to launch a business. After getting married and starting a family, he made a bold move to change careers – the cash value he had accumulated enabled him to make the leap. Jeremy collateralized his policies with a local bank for several years but made the switch to Inclined where he doesn't have to pay annual renewal fees, and gets to enjoy automatic evaluations for credit limit increases and better rates.

Jeremy's Story

At the young age of 24, Jeremy had a budding career and a strong sense of personal responsibility. He had met a Financial Advisor with Northwestern Mutual and was always open to listening to the advice and input he was given. "I wish I could tell you what he told me to get me to buy my whole life policy," Jeremy says with a smile. "I'd share the same thing with 24-year-olds who sit in my office today!"

He had no idea that years later, his life would lead him to the other side of that desk, and that policy – along with others he'd purchase down the road – would enable him to get there. At the time, Jeremy was newly married and his career in software development put heavy demands on his time. He was already feeling the burnout and had told his Advisor he wanted to retire by 55. "I knew I wanted 30 years max in that career, and then to get out!" he says.

A promotion moved him into a Sales role, which wasn't much better for him or his wife. Jeremy was constantly on the road meeting with clients, and the travel ate into his personal life regularly. The salary was the main upside, and Jeremy and his wife both purchased additional whole life insurance policies in those years.

When the young couple's first child was about one and a half, Jeremy had a meeting with his Financial Advisor to update their plans. "He happened to be recruiting, and I raised my hand and said, 'what about me?' and told him I was interested in becoming a Financial Advisor," he recounts. Making the switch required a plan in itself, but Jeremy had already set himself up for success with the cash value that had accumulated in his policies in the 5 years since he bought his first one.

["I wish I could tell you what he told me to get me to buy my whole life policy. I'd share the same thing with 24-year-olds who sit in my office today!"](#)

"I never in my life dreamed of being a business owner before that moment. There's no way I could have become an Advisor without the cash value my wife and I had built up in our policies," Jeremy shares. "I just wouldn't have been comfortable changing careers and going into a commission-based role without that safety net for my young family."

He opened his first line of credit with a local bank. It worked, but he found the process less than ideal. Every year Jeremy would have to go back to the bank to renew his line. "They charged me \$200 to \$300 each year for origination fees, and I always had to ask for a credit limit increase. That made no sense to me because my cash value was growing at a steady clip each year by that point," he says.



Then came the year that the local bank offered Jeremy a 9% interest rate on his renewal. “On a cash-secured line of credit? I couldn’t believe it!” He had heard about Inclined from fellow Advisors at Northwestern Mutual and wasted no time in making the switch.

Setting up a line of credit at Inclined was simple and easy, and Inclined never charges any fees. “I love the overnight draws¹, and the account is super simple to use online,” shares Jeremy. “And the fact that you re-evaluate my credit limit automatically² is great! It makes so much sense that as my cash value grows you’re able to make it available to me.”

“I love the overnight draws¹, and the account is super simple to use online, and the fact that you re-evaluate my credit limit automatically² is great! It makes so much sense that as my cash value grows you’re able to make it available to me.”

Growing His Business with an iLOC

When Jeremy talks about the ways he uses his iLOC, it’s clear he has his mind set on growth. After initially accessing his whole life cash value to start the business, he’s used it over the years to make strategic hires and cover payroll. “In the early days, I made a calculated decision to use my line of credit to pay the team, knowing what my business was growing to become,” he shares. “I was leveraging my cash value to do more, within reason, and being careful with the decisions I was making.”

Jeremy continues to use his iLOC to strategically reinvest back into his business today. “It’s buying me time to build my business the way that I want to build it without being afraid or having to hold back.”

“It especially makes sense for me because I spoke to my CPA about deducting the interest since I’m using the line for my business³,” he shares. “I don’t know why more Advisors don’t know about this, because every business owner should be doing it.”

“My line of credit and my whole life insurance has afforded me to start a business. It has afforded me to support six employees, and it continues to afford me opportunities to grow the business,” Jeremy reflects. “Similarly, my wife’s line has afforded us the ability to travel and live a lifestyle of freedom even during my career transition. The iLOC has afforded us to do some really amazing things that we’re very grateful for. Having something like Inclined’s line of credit to work with – it’s just so powerful.”

“My line of credit and my whole life insurance has afforded me to start a business. It has afforded me to support six employees, and it continues to afford me opportunities to grow the business.”

At Inclined, we call these the “*living benefits*” of cash value insurance.

- 1 Once an Inclined Line of Credit is opened, policyowners can use our online portal to make draws that process overnight. Funds arrive at the receiving bank the next business day, fund availability subject to receiving bank’s policies. In some cases, it may take 2 business days.
- 2 When an iLOC account is active and in good standing, Inclined evaluates the credit limit twice per policy, per year and generally increases it with the value of the policy. However, credit limit increases are discretionary and are not guaranteed.
- 3 Neither Inclined nor Jeremy offer tax advice. Speak to your tax professional for questions related to tax deductibility.

