Timed Outline: A Tax Efficient Alternative – Understanding Private Placement Insurance Products

Objective

The primary goal of would be to educate the attendees on what private placement products are (and are not), their benefits and considerations, the tax codes supporting the solutions being discussed and the appropriateness of these strategies depending on the client's profile and goals. Private Placement products have the potential to convert highly inefficient taxable assets into favorable tax-efficient investments. The objective of this presentation is to explain what these products are, how they work, demystify their make-up, and provide the advisers the tools they need to start the dialog for this tax efficient solution. The presentation also covers four structuring solutions to take back to their clients.

Course Takeaways

1. Attendees will receive an understanding of a private placement solution as well as equip them with unique structuring ideas to take back to their clients.
2. Attendees will be provided with real life examples that display the power of compounding of the tax savings, which has a potential to generate long term results that can be significantly more powerful than the taxable equivalent.
3. An understanding the marriage of trusts, financing and insurance for estate, income and gift tax efficiency.
4. Attendees will explore the benefits of a private placement solution as a potential means to maximize income tax deferral of the growth of assets. Due to the unique rules regarding trust-owned annuities, attendees will learn about the planning opportunity that exists for their clients to potentially maximize and prolong tax deferral on trust assets for multiple generations.
5. Attendees will understand the utilization of annuities with charitably inclined clients. When you can connect tax efficiency to charitable legacy gifts without giving up ownership or control, you may enhance the benefit for individuals and charities.

Timed Agenda

9:00 – 9:10 **Introduction**
- Instructor(s) background
- Explanation of objective of educational session

9:10 – 9:15 **The Challenge for Investors**
- Tax reform, client trends, alternative investments
- A solution considering Private Placement

9:15 – 9:25 **Private Placement Life Insurance**
- Operational Benefits and considerations
- Tax Characteristics and Attributes
- Review of code sections:
  - I.R.C. §7702(g)(1)(A)
  - I.R.C. §72(e)(3)
  - §72(e)(5)
  - I.R.C §72(e)(3)
  - I.R.C. §101(a)(1)

9:25 – 9:35 **Applications and Structural considerations**

- To Improve Tax Inefficiencies in Investment Portfolio
- To Supplement Retirement Income in a Tax-Efficient Manner
- Effectively Utilizing the Estate and Gift Tax Exemption
- Intergenerational Wealth Transfer
- ILIT and Split-Dollar Arrangements
- Planning for Foreign Nationals

`9:35 – 9:40 **Private Placement Variable Annuities**

- Operational Benefits and considerations
- Tax Characteristics and Attributes
- Detailed Review of I.R.C. §72

9:40 – 9:45 **Applications and Structural considerations**

- Tax-Deferred Investing
- Charitable Legacy Planning
- Restructuring High-Fee Retail Variable Annuities
- Dynasty Planning with a Complex Trust

9:45 – 9:55 **Real Life Case Studies**

- 2 on PPLI
- 2 on PPVA

This one hour session meets the Accreditation Standards for CPE Activities

- ✓ The activity is a live presentation and attended in person as a lecture with question-and-answer periods
- ✓ The Activity consists of an organized program of education
- ✓ The activity includes coverage of technical knowledge that are directly related above
- ✓ The instructors are experts in the subject area of Private Placement (see bio, below)
- ✓ The session is designed for, and targeted to, accountants