



PPLI Hits the Mainstream with Bloomberg

EWP: A Giant Structuring Tool

Since we work with *wealthy international families*, we are expert in using [Private Placement Life Insurance](#) (PPLI) as a structuring tool. Our approach is called [Expanded Worldwide Planning](#) (EWP). A few weeks ago Bloomberg ran an article on PPLI, "[How to invest in Hedge Funds and Pay No Taxes.](#)" We offer quotes and a video about the article below.

First some basics on [EWP](#), and how a properly structured policy can excellently serve the needs of *wealthy international families*.

- All assets inside the PPLI policy receive tax deferral, not only investments, but business income too.
- The assets pass tax-free to the beneficiaries named in the policy. In a properly structured policy one creates a tax-free environment for these assets. Assets can be located anywhere in the world.
- Because life insurance is used, FATCA and CRS reporting is greatly simplified, and in some cases, is eliminated.
- Families receive enhanced privacy, because the insurance company becomes the beneficial owner of the assets inside the PPLI policy.
- The EWP structure provides excellent [asset protection](#).
- The EWP structure is low cost with fees averaging 1% of assets.
- The EWP structure is fully compliant with the tax authorities of all tax jurisdictions.
- Should an untimely death of the wealth creator occur, his family is protected with a tax-free death benefit.

More on Product vs. Structure

The Bloomberg article mentioned above speaks about PPLI as a product, which of course it is, but most importantly it is an *EWP structuring tool*. One quote from the article is of note:

“When I would talk about it years ago, people looked at you funny,” said Edward Gordon, founder of Preservation Capital Partners. Lawyers for the wealthy hadn’t heard of PPLIs and often dissuaded their clients from trying a product that “sounded too good to be true,” he said. Now, “it’s reaching somewhat of a tipping point.”

Unfortunately, the ignorance of PPLI’s planning possibilities even goes beyond lack of knowledge. Many asset managers naively sell against insurance structuring, and do not realize that the unique tax advantages of PPLI will give the assets they manage a significant boost in performance. This is especially true for long-term investments, and those intended for future generations.

Here are some other key quotes from the Bloomberg article by Heather Perlberg and Ben Steverman.

“This is a sexy product that people get excited about owning and tell their friends about,” said Aaron Hodari, a managing director at the advisory firm Schechter Wealth. "It’s an alternative investment that allows you to invest in hedge funds and defer or eliminate taxes."

“Athletes, celebrities, and family offices are embracing private placement life insurance, or PPLI, as a way to preserve wealth for their heirs. It’s a strategy that’s perfectly legal and has existed for decades. While insurance funds are typically a way to protect assets from lawsuits, the main appeal of PPLIs is that they can help investors avoid taxes on capital gains, ordinary income and high-net-worth estates.”

Bloomberg’s Peggy Collins now offers us a short video about the Bloomberg article:

We invite you to explore with us the structuring possibilities of PPLI and EWP. As always, your comments and questions are indeed welcomed and appreciated.

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