



The 80/20 Rule

The 20% Is Yours with PPLI

In terms of structuring assets for *wealthy international families*, *Private Placement Life Insurance (PPLI)* puts you at the top of your class. What is top of your class? Let us apply the 80/20 rule.

Wikipedia gives us a brief history of the 80/20 rule.

The Pareto principle (also known as the 80/20 rule, the law of the vital few, or the principle of factor sparsity) states that, for many events, roughly 80% of the effects come from 20% of the causes.

Management consultant *Joseph M. Juran* suggested the principle and named it after Italian economist *Vilfredo Pareto*, who noted the 80/20 connection while at the *University of Lausanne* in 1896, as published in his first work, *Cours d'économie politique*.

Essentially, Pareto showed that approximately 80% of the land in Italy was owned by 20% of the population.

It is an axiom of business management that "80% of sales come from 20% of clients". Richard Koch authored the book, *The 80/20 Principle*, which illustrated some practical applications of the Pareto principle in business management and life.

[Expanded Worldwide Planning \(EWP\)](#) is the overarching principle that our [firm](#) embraces that is becoming a new model for those who structure the assets of *wealthy international families*. If we define success as the 20% part of the 80/20 equation, what are these characteristics that assist in this success:

- 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 PPLI 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 PPLI death benefit.

80/20 In Action

According to a recent report on CNBC, just three stocks are responsible for most of the market's gain this year. Amazon, Netflix, and Microsoft together are responsible for 71% of S & P 500 returns and for 78% of NASDAQ 100 returns. Not quite 80/20, but the principal is there.

Now let see how the 80/20 plays out more personally in our daily lives. If you have had the experience of working closely with a group of people over a long period of time, you find out their strengths and weakness and your own.

You find that that some do things well in some areas and not so well in others--and if you are honest with yourself--this applies to observations about yourself too. So

if we take the 80/20 rule as our guide, we are grouped into the 80% part or the 20% part, depending on the task or character trait that we are measuring.

Our firm must conduct diligent research to achieve the aims of the families that approach us for PPLI structuring. We must find the best possible way to give them the tax and enhanced privacy benefits that they seek. Our goal at the end of our research, is to place the family in the 20% part of the equation.

We wish to elevate you to the 20% through our rigorous and thorough PPLI structuring process. We invite you to ***contact us*** today so we can begin the process now.

by [Michael Malloy](#), CLU TEP, @ [Advanced Financial Solutions, Inc](#)

 <p>Michael Malloy, CLU, TEP Advanced Financial Solutions, Inc.</p>	<p>michaelmalloy.solutions</p>  <p>Advanced Financial Solutions</p> <p>A secure island in a tax hungry world</p> <p>New York British Virgin Islands California</p>	<p>Worldwide Toll-Free Number: +1 877-811-5846</p> <p>Michael's Direct Dial: 530-277-1088</p> <p>Northern California Office: 530-692-1007</p>
<p>blog.michaelmalloy.solutions michael@michaelmalloy.solutions</p>		
		

