

Life Insurance Solutions and their Role in Advancing Wealth & Succession Planning in an Increasingly Uncertain World

Lee Sleight, Head of Business Development, Asia at Lombard International Assurance is a great believer in the value of life insurance solutions to cope with potential life events, to ensure efficient and optimised legacy planning, for asset protection and to facilitate mobility for the policyholder and beneficiaries. He provided delegates with a lively and interesting talk at the Hubbis HNW Insurance Forum on September 29 in Singapore.



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Lee Sleight
Lombard International Assurance

Lee explained that he had worked with Lombard International Assurance for some 18 years, is based in Luxembourg and had been helping to develop the Asia business for the past two years, focusing on PPLI and building relationships with the wealth industry and specialist distributors in the region. He said that for the 10 years before taking on his current role he ran the case structuring team that managed large, complex PPLI transactions across the European, Latin American and Asian markets.

“In short, I am very well aware of the intricacies of these case structuring operations and some of the challenges advisors and their clients face, as well as the great opportunities,” he said.

He explained that his presentation would focus more on challenges, noting that he would zero in on the three major sources of uncertainty that in his experience present the most significant hurdles for advisors and their clients.

The three key challenges to overcome in wealth planning are mobility, life events, and legacy. “In the pursuit of robust wealth planning outcomes, what we are all looking for is a solu-

tion that is comprehensive, covering most eventualities and that is nevertheless simple, easy to conclude and easy to understand,” he told delegates. “It should be individual and adaptable to meet the needs and wishes of all clients and their family, which can also be updated as situations change, and which by its very flexible nature protects as far as reasonably possible against uncertainties ahead.”

He explained that one of the biggest challenges that the wealth management industry faces is the global nature of (U)HNW clients, and how advisors can support them as they live, work and then retire across the globe.

“And we need to remember that this may not be limited to the

clients themselves,” he observed. “It will inevitably extend out to their wider family, as children study abroad, get jobs and often settle down in a country different to their parents. Quite often these changes are accidental, or the implications are not considered in the excitement of the move, and really only realised at a later date, at which point it is generally then advisors find out.”

The result is that advisors and their clients need to be in a position to adapt planning swiftly, with minimal change, discomfort and inconvenience. And in an ideal world, everyone should be ahead of the curve, helping ensure the client’s planning can be changed in anticipation of that move.

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“What we therefore need is a solution that has a proven track record, is embedded in regulatory framework worldwide, meaning it is helpfully recognised in both civil and common law jurisdictions, and is therefore highly portable,” he stated. “The solutions need to work well across borders with minimal change, meaning that there is no need to restructure, sell assets at an inopportune moment or even collapse those structures.”

PPLI, he reported, is a very flexible tool which Lombard International Assurance has been promoting successfully in Europe, Asia, and Latin America for wealth and succession planning for over 30 years.

He said his 18 years at the firm had shown him that it is highly flexible and can be tailored to meet a wide range of client needs, both current and future. “A vast majority of the Lombard International Assurance clients are internationally mobile, with family members and beneficiaries dotted around the world, and that is often very true of wealthy Asian clients. Moreover, things change all the time, new children come, people pass away, marriages take place, divorces occur, people move or return home, and so forth.”

All these events, he added, bring to light new challenges around regulation and compliance. “Consequently, advisors need to be on top of such changes and help their clients address their planning and structures to adapt to each new situation. And PPLI offers the ideal solution for that, given its portability and flexibility. It is easy to understand, and it allows the client to retain control over his assets, giving access to those assets as and when liquidity needs change, or perhaps as the beneficiaries’ circumstances change.”

He observed that bankers and other wealth management advisors need to maintain their relationships across borders. “You spend a lot of time building those relationships, and then you want to maintain and extend those relationships,” he said. “As you know, it is a lot easier to retain an existing client than to gain a new one. And to retain them, you need to be able to help them amidst changing circumstances.”

Lee also heard from wealth advisors he works with in the region that Asian clients are only more recently embracing the need for professional legacy planning. “In an increasingly complex and cross-border world, you need to devise and later adjust and refine your planning to ensure it

is fit for the current and anticipated environment, it is compliant and transparent, and ideally suits the clients’ needs,” he said.

He said that in building a lasting legacy, the first step should be to draft and implement a clear succession plan to map out how the wealth will be passed on in alignment with clients and their wishes, whilst at the same time recognising that these plans may, in fact, probably will change at some point in the future. “And as I said, you need to revisit any planning in place and check that it remains fit for purpose and consider what enhancements could be made.”

He concluded by stating that for all these objectives and challenges, PPLI fits very well indeed. “It ticks all these boxes,” he reported. “Moreover, PPLI works ideally alongside existing structures such as trusts or offshore financial holding companies, and actually very often enhances their effectiveness. I should add that in the event of someone passing away, policy assets can be paid out smoothly and swiftly directly to the heirs (who need not be the legal heirs) removing any need to go through a painful probate process, often remotely from a different country.” ■

