

Lombard International Assurance Expert Lee Sleight on the Rise of PPLI in Asia

The Hubbis HNW Life Insurance Forum on September 29 in Singapore included a detailed panel discussion on the role of life solutions in robust wealth and legacy planning and structuring. What are some of the wealth structuring and legacy planning trends? How does insurance need to be structured as part of a holistic wealth and legacy planning strategy? How should you use trust structures alongside such policies? How can these policies gel with a family office structure? Lee Sleight, Head of Business Development for Asia at Lombard International Assurance, offered delegates some valuable pointers on these matters.

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Lee Sleight
Lombard International Assurance

Lee Sleight is Head of Business Development, Asia with Lombard International Assurance and is responsible for designing tailored private wealth and succession planning solutions, working closely with Asia-focussed distribution partners for UHNW clients and their families that protect, preserve, and pass on their legacy to future generations.

Lee has over 20 years of experience in the wealth assurance industry across Europe, Asia, and Latin America. Joining Lombard International Assurance in 2004, he successfully led the European Complex Case Structuring Team, where he built a unique track record, working in partnership with advisors to global UHNW families to offer Private Placement Life Insurance (PPLI) solutions catering for their increasingly complex wealth and succession planning needs.

Lee is a member of the Society of Trust and Estate Practitioners. Born in the UK, Lee has lived in Germany since 2005 and worked in Luxembourg since 2001. A father of three, Lee is also an avid trail runner and triathlete.

The moderator asked Lee for his views on the diversity of assets to be housed within PPLI structures, looking at this from the viewpoint of the more mature European context.

“The range of assets that can be held within PPLI policies is very wide indeed,” he reported. “From the trustee perspective, they are increasingly looking to outsource the management of those types of assets due to the specialist due diligence required. Actually, many trustees will not take on certain assets for a number of reasons however generally, the hesitation is more around the lack of expertise and understanding amongst trustees in handling some of the more alternative types of assets, something that could be addressed by working together with the insurance carrier.”

Lee explained that their firm had built a team that deals with the initial assessment and due diligence at take-on as well as during the policy's lifetime for such non-traditional assets, handling the annual valuations and ensuring that the underlying activities of those assets are professionally managed and in line with their risk tolerance.

“There is an issue around risk appetite,” he explained, “as it is vitally important to understand what you're taking on as an insurance provider. We never take on assets that we don't understand, we conduct extensive due diligence, and we are prepared to work towards a personalised solution. To achieve that, we need clients and their advisors to be cooperative and willing so we can work through these reviews together. And everyone

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needs to appreciate that this is often very detailed and can take considerable time.”

Lee added that aside from operational risk on some assets, reputational risk, especially around ESG principles and metrics needs to be factored in.

Lee also offered his views on the rising interest in PPLI in Asia, noting that PPLI is huge in Europe, with a vast majority of French residents holding their wealth in savings via life insurance (assurance vie) and with Lombard International Assurance, the biggest cross-border provider of PPLI in Europe currently.

“I think Asia is following the European model,” he reported. “We are the largest provider of PPLI out of Luxembourg. Life insurance is incredibly widely accepted and evergreen.”

He explained that these policies are widely accepted, widely understood, and they offer a host of benefits, including as speakers at the event had highlighted, advantages with regard to succession planning.

He explained that while in Europe PPLI is very well established, it is far newer in Asia. “The wealth planning and structuring market here in Asia is also less evolved, so there is a lot of work to be done to bring people and advisors up to speed in all these areas. PPLI is an option for wealth advisors and their clients, but this needs to be seen and understood in the context of the individuals, the families and the overall wealth and estate structuring.”

“Interest in Asia is definitely expanding,” Lee added, “and we are confident we will see a lot more take-up ahead. Moreover, the wealth management industry is increasingly

engaged with PPLI, with more advisors knocking on our doors to learn more.”

He said that it is critical advisors and principals fully under the wider family situation, the range of assets and jurisdictions, and the key objectives, to ensure they can assemble viable and suitable solutions.

“There needs to be greater appreciation of how PPLI works, and also of the wider range of wealth planning solutions which are out there and can work together with or even alongside PPLI to best fit each and every client and situation,” he reported. “The wealth industry and intermediaries and the fiduciary services providers need to know more and be in a position, having educated themselves, to discuss the pros and cons of any and all solutions with their clients.” ■

