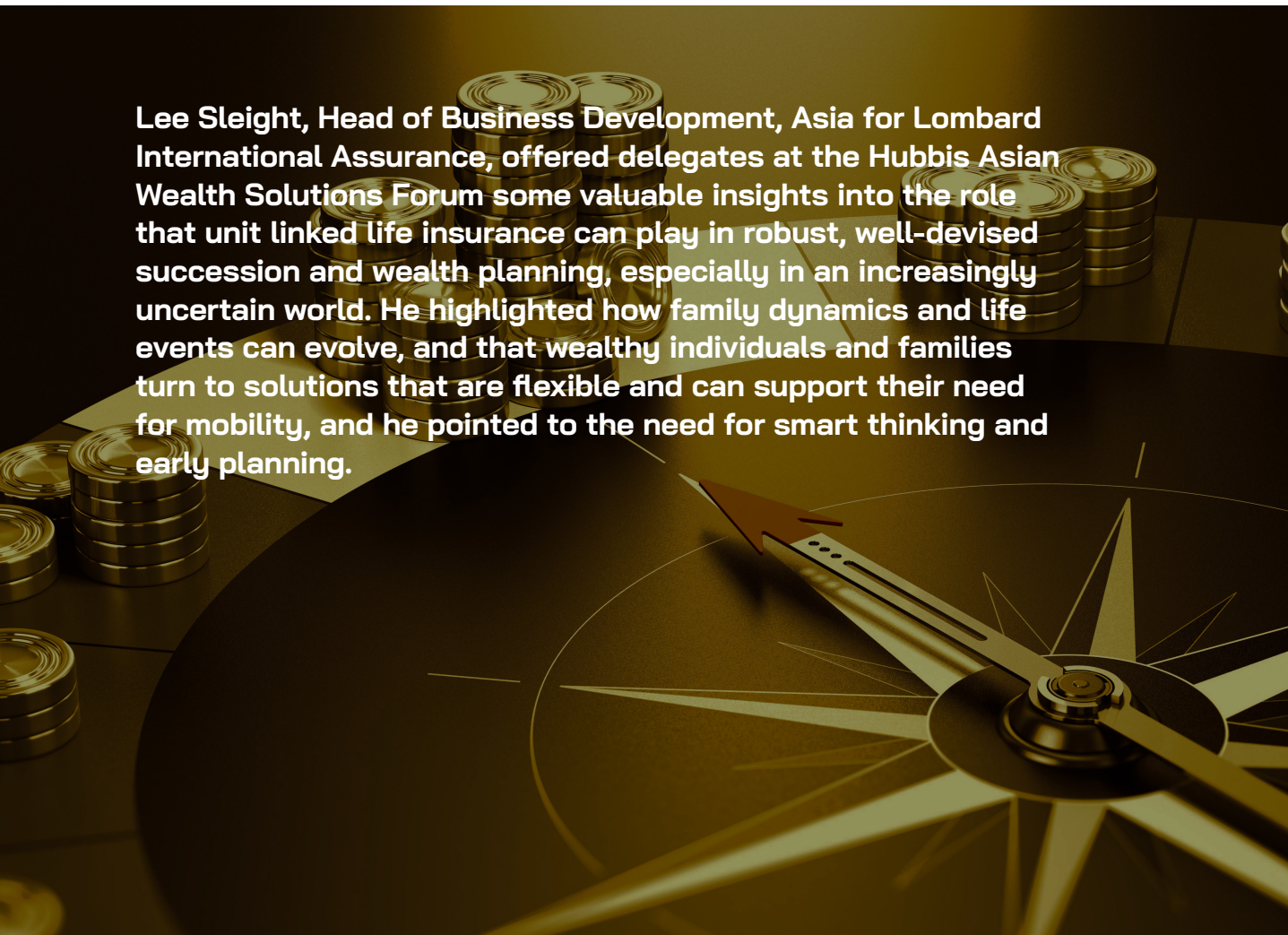


# Lombard International Assurance Expert Lee Sleight on Wealth & Succession Planning in an Uncertain World



Lee Sleight, Head of Business Development, Asia for Lombard International Assurance, offered delegates at the Hubbis Asian Wealth Solutions Forum some valuable insights into the role that unit linked life insurance can play in robust, well-devised succession and wealth planning, especially in an increasingly uncertain world. He highlighted how family dynamics and life events can evolve, and that wealthy individuals and families turn to solutions that are flexible and can support their need for mobility, and he pointed to the need for smart thinking and early planning.

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**LEE SLEIGHT**

Lombard International Assurance

**Lee is Head** of Business Development for Asia, responsible for designing tailored private wealth and succession planning solutions, working closely with Asia-focussed distribution partners for UHNW clients and their families to help 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. He joined Lombard International Assurance in 2004 and 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 based solutions catering for their increasingly complex wealth and succession planning needs.

He is a member of the Society of Trust and Estate Practitioners (STEP). Born in the UK, Lee has lived in Germany since 2005 and worked in Luxembourg since 2001. A father of 3, Lee is also an avid trail runner and triathlete.

"Imagine the sudden death of the family patriarch of a wealthy family in Asia," he said, opening his talk. "This individual may

have assets located in multiple jurisdictions, with family members around the globe, and holdings in various wealth structures. How many of you have seen such situations or see them coming? There are many challenges to overcome."

**Overcoming future challenges**

He explained that these challenges could include the fair and efficient distribution of assets, the difficulty in family members dealing with probate processes across multiple jurisdictions, the respective tax and fiscal implications, and also obtaining sufficient liquidity at a time of family stress and uncertainty.

**"International recognition in common and civil law jurisdictions ensures PPLI gives the highly mobile global families peace of mind that they may use the solution to solve planning challenges across borders or relocate without the need to collapse an existing structure."**

The need for robust wealth planning advice and the most appropriate wealth planning structure is critical, he indicated.

**A truly appealing solution**

Lee explained that Lombard International Assurance's 30+ years' experience in Europe shows that PPLI can assist in enhancing current wealth planning strategies as it works ideally alongside existing trust structures for offshore companies, future-proofing those structures as well as holding a wide variety of asset classes.

"Over the past few years, I'm sure many will have heard more

and more about PPLI or private placement life insurance, building upon its popularity in Europe and the US," he explained. "So it is worth understanding what it is and how it works – as an effective complementary solution for wealth planning."

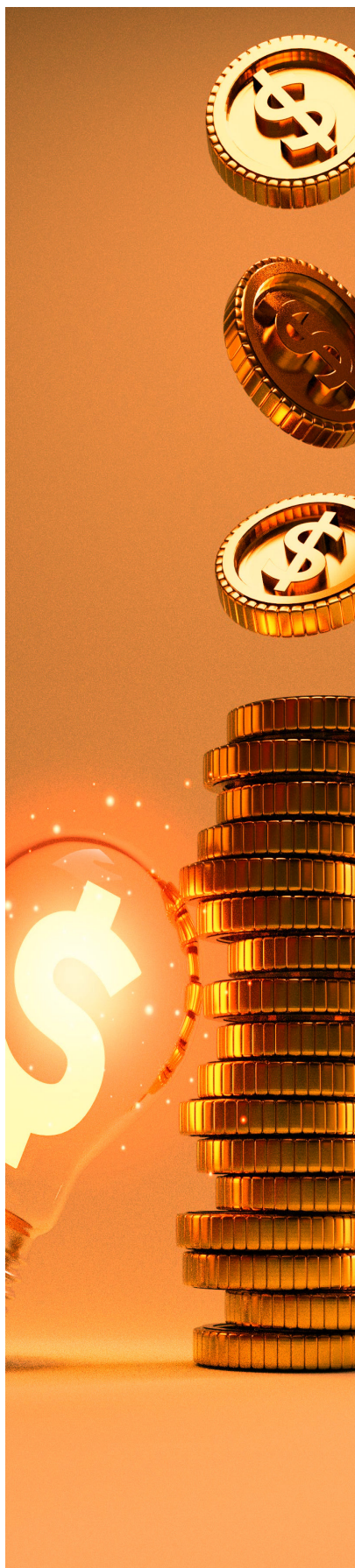
**Seeing the simplicity**

"In France, for example, unit-linked life insurance (another term used for PPLI) is widely recognised as a key tool to support wealth planning for high net worth individuals," he reported. "And the tried and tested advantages this solution provides in France can be replicated across other jurisdictions."

He commented that PPLI is a straightforward solution consisting of an insurance contract generally subscribed by individuals as the policyholder(s) (usually the husband and/or wife), linked to the life or lives assured (usually the policyholders), with clearly nominated beneficiaries (i.e. the children or other legal heirs) who then receive the policy proceeds when the policy pays out on death.

**Flexibility from many aspects**

PPLI allows for open architecture and can allow existing private bank and asset management relationships to be maintained



whilst at the same time providing succession planning advantages. He said that while the open architecture set-up permits a wide range of assets to be held, most of the Lombard International Assurance book built up over its 30+ year history focuses on bankable assets, private equity and hedge funds.

“PPLI has many advantages, but for me, the three main advantages are portability, succession planning, and tax efficiency,” Lee stated.

Taking the first of these, portability, he explained that UHNW families are becoming increasingly mobile. This may be the patriarch or matriarch who decide to move country, the children or grandchildren who study abroad and then perhaps settle down overseas. Or the client might be a successful expatriate at the end of their international career, starting to plan a return or simply looking to retire to a different country.

### Recognised across most jurisdictions

Lee said PPLI brings value to these scenarios. “International recognition in common and civil law jurisdictions ensures PPLI gives the highly mobile global families peace of mind that they may use the solution to solve planning challenges across borders or relocate without the need to collapse an existing structure,” he told guests.

He added: “that with minimal tweaks, such as adding some life cover, adapting the asset management strategy, and refreshing beneficiary nominations, PPLI will continue to provide similar benefits in their clients’ new country of residence.”

### Planning for succession

The second advantage is succession planning. Even when planned well, a probate process can be lengthy, Lee remarked, and the international nature of UHNWI clients often adds to this complication.

“Think about a recently deceased patriarch, a Chinese client with a daughter resident in France and assets deposited in Singapore and a Swiss bank account,” he said. “This is already four jurisdictions, and each country will have its specific process to deal with probate. And this is a relatively simple situation, so imagine the complexities of handling extended families with multiple members in multiple countries with assets held across numerous banking relationships and jurisdictions.”

He explained that this is where the simplicity of beneficiary nominations within a PPLI policy can truly make things easier. “Utilising a PPLI solution, the payout for assets triggered by the death of the life assured is made directly and swiftly to named beneficiaries,” he explained.

### Enhancing portfolio returns via deferrals

Lee explained that in most countries of residence, individuals who hold assets directly are subject to immediate taxation, but generally, PPLI provides tax deferral, in other words, taxes are not due on gains or income until withdrawals are made from the policy, allowing assets to be bought and sold with gains reinvested inside the policy.

### Simplifying tax reporting

“PPLI also offers enhanced benefits upon relocation. Where

the policyholders move from one country to another, international recognition means that the advantages can be swapped for similar advantages in the new country, without the need to collapse the structure or to restructure.”

In addition, tax reporting is simplified with the policyholder receiving an annual statement for his or her next filing.

Another key consideration is the country of residence of the legal heirs or the policy beneficiaries. When discussing planning, one often considers the assets, and how to optimise those. PPLI takes this one step further, not just focusing on a smooth disbursement and making the process easier for beneficiaries who live in a different country, but offering the potential to reduce the inheritance tax that may be due.

### Building momentum in Asia

Lee closed his talk by reiterating the three key advantages that PPLI provides Lombard International's wealthy clients, namely portability, succession planning and tax efficiency and underlining that PPLI is a standard planning tool for Europe today and will be key for Asia tomorrow. ■

