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1 | Overview

Overview

- Life Insurance is designed to adhere to the Internal Revenue Code (“IRC”). Private Placement Life Insurance (“PPLI”) is designed to adhere to the IRC. It is not relevant which State or Country a policy is issued from provided the policy meets the statutory requirements defined in the IRC. PPLI is therefore compliant Life Insurance.

- The PPLI aspect comes from a much more open investment platform that can be custom tailored to suit various client needs;

- The investment component is flexible but the contractual element that makes the contract a life insurance contract under the IRC is not.

- PPLI has strong support and acceptance from legal providers (law firms/consultants) that advise their clients on planning solutions and specifically life insurance solutions for their clients.

- There is clear and statutory link between asset protection, tax planning, pre-immigration planning and current or prospective legal advice. So why not maximize this and benefit from it?

PPLI

What is Life Insurance?

- Life Insurance Products
  - Virtually all jurisdictions around the world have some form of life insurance legal definitions and statute support.
  - Globally, life insurance is a mature industry.
- Private Placement Life Insurance (PPLI) Is Life Insurance
  - A very flexible tool for high net worth individuals.
  - Compliant policies are deemed life insurance.
- PPLI Is Not A Tool To Run From Tax Authorities or A Vehicle To Hide Undeclared Assets. But is can be very useful at a time of increased taxes and specifically taxes targeting High Net Worth individuals and families.
  - A flexible, investment driven type of life insurance.
  - A compliant product that offers fiscal efficiencies.

Why PPLI

- PPLI provides the same tax advantages of commercial life insurance
  - Tax free or tax deferred growth of internal cash value
  - Tax free or tax deferred payment of death benefit
  - No capital gains taxes
  - No income taxes including mitigation of any associated K-1 income
  - Ability to access Cash Value through tax free loans

- Ability to manage or mitigate estate taxes (if applicable)

- PPLI is a justifiable purchase (structure). Life insurance is a standard purchase by many families in all jurisdictions across virtually all demographics.

2 | Private Placement Life Insurance

Why PPLI

- Life Insurance typically serves two major purposes: (1) to maintain family's income and quality of life if the insured life dies, and (2) to obtain favorable tax treatment* of invested assets.

- PPLI combines the well documented and compliant attributes of a standard life and annuity insurance product with a flexible investment platform. PPLI life insurance is a contract for performance with premium being the consideration for the contract and the life insurers promise to pay a benefit that completes of the obligation.

- The policy holders buy insurance cover from an insurance company and pay specific periodic amounts (premiums) for the term (duration or life) of the policy. The premiums types of contributed and assets held are very flexible. The flexibility includes a broad range of asset classes and employs qualifying Separately Managed Accounts ("SMAs") or Insurance Dedicated Funds ("IDFs").

- An added bonus is most current structures like trusts can remain intact and are enhanced with the simple addition of a compliant life or annuity policy

- The Insurance Company can work with most custodians, managers or funds, making the transaction as simple to set up as a trust or other less effective structures

*where jurisdictionally applicable

PPLI

Why PPLI?

There are some important differences between PPLI and standard, off the shelf, Life Insurance.

- PPLI can be most useful for High Net Worth clients with diverse investment strategies and subject to increased capital gains and other taxes. PPLI can provide a very private and compliant hedge against increased taxes (Including Income and Estate taxes)
- PPLI can allow flexible investing in:
  - Hedge Funds/Alternative Asset classes including mitigating K-1 income exposure
  - Private Equity
  - Real Estate/Physical assets
  - Intellectual Property
  - Yachts and Private Jets
  - Alternative Currency denominations
- PPLI focuses on the investment component not the basic contract to provide a more flexible solution that remains locally compliant

PPLI

Basic Components

1. **Insured Life**
   The person(s) who are insured and if they die trigger payment.

2. **Policyholder**
   The entity who owns the contract.

3. **Life Insurance Policy**
   The actual contract.

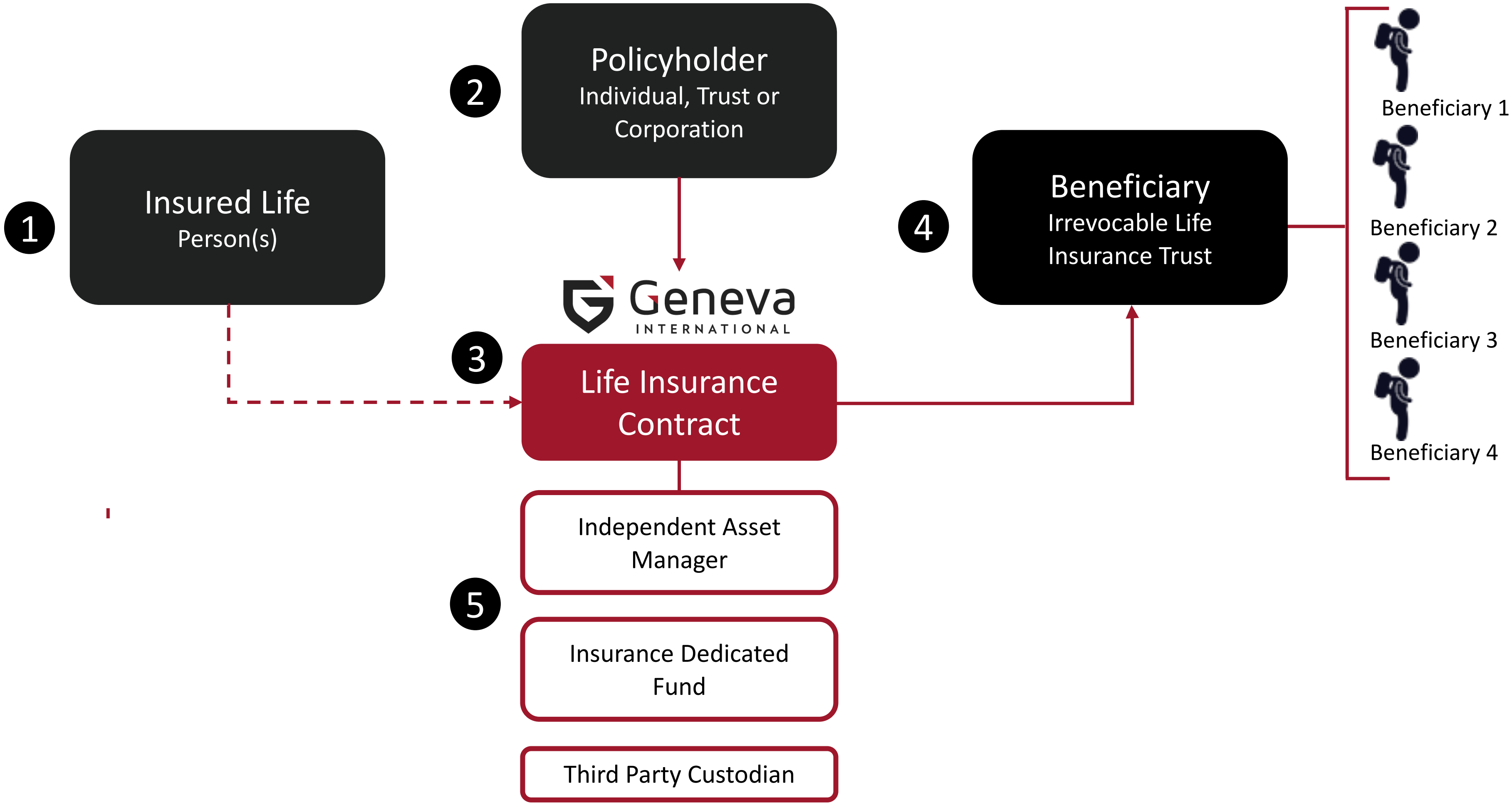
4. **Beneficiary**
   The person(s) or entity(ies) that receive the proceeds of the life insurance contract.

5. **Asset Management/Custodian**
   Can be Separately Managed Accounts ("SMA") or Insurance Dedicated Funds ("IDF") or both. The actual entity that manages the investments in the contract and where the assets are held with the custodian.

Premium =
Consideration for the contract to perform payment of death benefit in the future.

PPLI

Basic Components



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3 Market and Legal Issues

Market and Legal Issues

Legal Concepts

- Transfer Ownership
  - Insurance company is Beneficial Owner of assets held in specific policy separate account. Capital gains will be due on transfer of certain assets
- Asset Protection
  - Contractual asset protection by statute in most jurisdictions
- Global Reporting in all jurisdictions
- Trust vs. Insurance
- 953d Carrier Option

Market and Legal Issues

Asset Protection

- Institutional partner.
  - Insurance company is beneficial owner of assets held in the policy
  - Insurance company is listed as beneficial owner on “Form A”
  - Transactions are done in the name of the insurance company
  - No look through to policyholders (certain structures)

- All policy assets are Separate from the general account of the insurance company

Market and Legal

Trust vs Insurance Comparison

Insurance

- Contractually based and used by millions
- Tax deferral
- Insurance company is beneficial owner
- Simplified or limited reporting
- Potentially tax free
- No capital gains taxes
- No trustee
- Asset protection

Trusts

- Provides some asset protection
- Sometimes seen as tool for the rich
- Requires “trustee” with full control
- More stringent reporting requirements
- Tax filings for trust and possibly beneficiaries required by some jurisdictions
- Limited or not direct tax deferral on payouts

Market and Legal Issues

IRC Sec 953d vs Non-953d

953d

- No federal excise tax (FET) for US insured lives
- No requirement to file and maintain Form 720
- No withholding tax on US dividend income
- No Income tax related to K-1 filings
- “DAC” tax
- W-9 entity

Non-953d

- 1% FET requirement for all US insured lives
- Insurance company is beneficial owner of assets held in the policy
- Withholding tax on US dividend income
- No “DAC” tax
- W-8BEN-E, Non-USA status

Market and Legal Issues

Reporting

Reporting is becoming more complex globally

- Life insurance can alleviate reporting issues associated with multi-jurisdictional families and investment strategies
- Life insurance can greatly simplify reporting associated with
  - CRS*
  - Controlled Foreign Corporation (“CFC”) holdings
  - FATCA*
  - Pre-immigration planning and US exposure
- A life insurance contract is a contractual partnership
- The life insurance policy is the beneficial owner of the assets held in the corresponding separate account
- Therefore, under most reporting regimes the policy may be reported
  - But not the assets or positions held in the policy
  - Including private equity, non-traded securities or illiquid assets

Market and Legal Issues

Reporting (US Persons)

There are requirements to report certain aspects of the policies as respects US Persons

- FBAR: Filing form TD F 90-22.1 (report of foreign bank and financial accounts), commonly referred to as an "FBAR"

- FATCA: The Foreign Account Tax Compliance Act provisions of the HIRE Act enacted Section 1471 of the IRC Code. Form 8938 now required for certain assets

- Federal Excise Tax ("FET") – A one percent (1%) U.S. federal excise tax on premiums paid if the Insured Life (or any Joint Life) is a U.S. citizen or U.S. tax resident for federal income tax purposes. This tax must be paid to the IRS and filing IRS Form 720 when a non-§953d carrier issues a policy.

- Deferred Acquisition Charge ("DAC") – charge means the amount deducted by the Insurer to pay for certain deferred acquisition costs for US federal income tax purposes under Section 848 of the Internal Revenue Code

4 | Geneva International Advantages

Overview

Compliance and KYC

Geneva International business adheres to Compliance with AML/CTF laws, Codes, Regulations and Guidelines in force in each applicable jurisdiction

Policies and Procedures have been designed to ensure compliance with the respective AML/CTF laws, Codes, Regulations and Guidelines adhering to industry best practice at all times, such as (but not limited to):

- Independent checks on verification and identification of new and existing clients through World Check and other services;
- Systematic file review processes aligned with the risk-based approach;
- Ongoing annual training of staff on AML/CTF
- The appointment of an independent MLRO in Barbados and the Review Committee to review and approve exceptions and to handle suspicious transactions;
- Electronic Record keeping of any Client/Related Party and Entity managed and administered by Geneva in line with the Laws and Regulations applicable in Barbados.

Geneva International Advantages

Experience and Security

Experience

- Dedicated team of insurance professionals
- Years of experience in the insurance industry.
- Experience to discuss what works and what does not.

Security

- Data and family information is safely held in a secure place
- Every time data is sent to third parties there is one more chance of information being accessed. We use systems to limit transmission of data.

Trust

- Work with entities you trust

Geneva International Advantages

Barbados

- The right domicile for you
  - Barbados is flexible and easily supplements most global families needs

- Barbados offers a highly developed network of highly developed and longstanding Double Tax Agreements (DTA's) (not exchange agreements).
  - US DTA
  - Canada DTA
  - Latin America including Mexico and Venezuela
  - Barbados also enjoys many double income tax treaties with European Domiciles

- Choice of 953d or Non-953d entities

- Best in class reinsurance capacity of US$50MM+ per life

Geneva International Advantages

Access

- The carriers work with a global network of brokers, law firms, third-party advisors and banking and investment management partners
    - Contact teams in Barbados and globally
    - Multilingual staff

- Full transparency
    - On all transaction fees and costs
    - Seamless partnerships including trusts and corporate entitles
    - Easily working with tailor-made solutions (Minimum premium $5MM)

- Geneva entities offer flexible PPLI Solutions

Geneva International Advantages

Access

- Flexibility to acquire real estate (including USA) compared to other jurisdictions that impose restrictions on real estate ownership
- Ability to structure and work in multiple jurisdictions
- Ability to manage US exposure with market leading experience in US compliance, as needed
- Ability to work with SEC Registered managers
- Ability to work with non-bankable assets*

*minimums apply

Geneva International Advantages

Global Resources and Experience

- The global GII team is made up of professionals from a diverse skill set:
    - Trust and Corporate services
    - Insurance
    - Legal and Tax
    - Investment Markets
    - Fund administration
    - Private Equity
- The GII Insurance team has decades of experience in the life insurance arena
- Access to worldwide, unlimited investment options
    - Insurance Dedicated Funds (IDFs)
    - Managed separate accounts**
    - Ability to invest in USA private equity**

Geneva International Advantages

Global Resources and Experience

- Access to global managers and global banking partners
- Potential to leverage through our institutional balance sheet
  - Listed and non-listed investments
  - Non-bankable assets
- Provide our clients with an innovative, compliant global solutions view
- Ability to deal with UHNW clients of differing nationalities and residence
- Crafting the best solution for each client in terms of security, investment requirements and tax agreements

5 FAQ

FAQ

Frequently Asked Questions

What else does GII do?

Geneva International only provides Life Insurance and Annuity products

Does GII have access to Insurance Dedicated Funds?

Yes, has access to a large offering of our own and third party Insurance Dedicated Funds (“IDF”)

Other alternative investment vehicles can be included

Does GII accept in-kind transfers?

Yes, under certain circumstances and where permitted by law

Are GII Insurance companies audited?

Yes. The auditors are BDO

FAQ

Frequently Asked Questions

What makes GII different?

Our flexible, industry leading range of products and services

Knowledgeable and experienced partners

Global resources and support teams

Is there reporting that might be required?

US persons must file FinCin form TD F 90-22.1 (report of foreign bank and financial accounts), commonly referred to as an “FBAR”

How are the various products offered by GII different than GII’s competitors?

Dedicated service and approach for each individual policy holder from multiple jurisdictions

GII is a registered FFI for ease of reporting

Stable, long term player

FAQ

Frequently Asked Questions

- **What happens if an Insurance company becomes bankrupt or insolvent?**

  Each policy is held in a separate account or protected cell according to relevant jurisdiction. This segregates all policyholder's assets from the insurance company and therefore all policy assets are protected and bankruptcy protected

- **Is GII regulated?**

  Yes. In the jurisdictions we operate from. Licenses are obtained on a jurisdiction by jurisdiction basis

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