

High Value Life Insurance

A flexible premium universal life solution designed for high-net-worth clients' estate preservation and wealth transfer needs.

Introduction

The Need

High-Net-Worth (HNW) clients across the world can find it difficult to access suitable life protection products to protect their families, businesses and assets.

Situations that may require sophisticated solutions:

- Multi-jurisdictional families with assets and complex structures across the globe.
- High capacity not available in a particular country. We can offer between \$1m to \$100m to clients who reside in over 150 countries.
- Guaranteed premiums and cover required to age 100 and beyond.
- Need for more progressive underwriting decisions as previous evaluations have prevented you from obtaining cover.
- Politically exposed persons with no access to offshore solutions.
- Flexibility needs of a global high-net-worth individual – flexible premium payments, free partial withdrawal, top ups, flexibility of death benefit, beneficiaries, and even as collateral.

Universal life insurance can provide a more certain, efficient and personalised source of liquidity to replace income, transfer wealth and ensure efficient business successions. Beyond the death benefit protection, these solutions provide cash accumulation potential in addition to strong guarantees to help meet global estate and legacy planning needs.

Legacy and Succession Planning

Preserve the value of your estate by providing liquid funds for dependents or a spouse, to pay for any fees or debts outstanding upon death. Life insurance can help create, increase or preserve wealth to ensure fair and equitable distribution of your estate.

Wealth Preservation

Seen as an alternative asset class that has the ability to generate cash in the future, life insurance is one of the few assets with a guaranteed value and predictable cost. It offers value by providing both peace of mind now and potential death benefit payments later.

Charitable Giving

By either gifting a policy outright or naming a charity as the beneficiary, donors can provide the charity of their choice with a large sum of money and provide a lasting legacy for a cause they believe in.

Inheritance Tax Planning

A life insurance policy can serve to protect your heirs from inheritance tax or property gains tax for assets within your estate. It can also provide income tax benefit through tax deduction, and in some cases, tax exemption with the right guidance from a qualified tax professional.

Keyman Protection

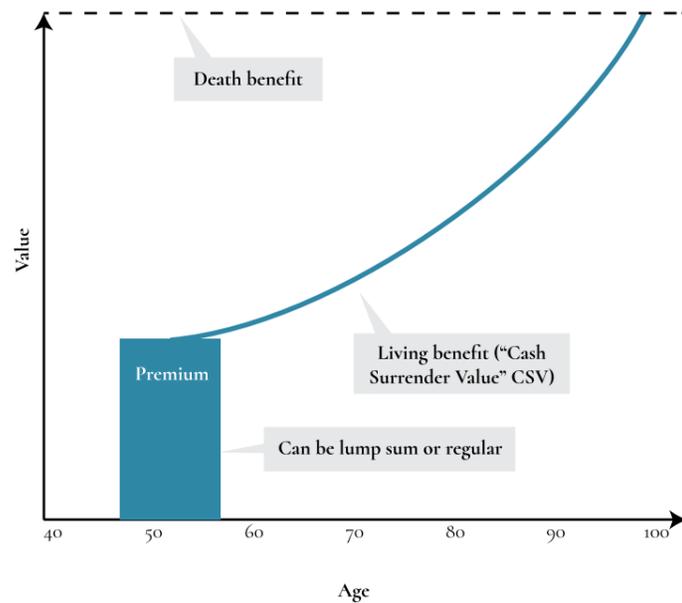
In the event of the loss of a key employee, a life insurance policy can provide a business the cash flow it needs to keep it running. The policy provides the cash needed to hire a qualified replacement, purchase the additional human capital or assets, necessary to keep operations intact and help replace lost profits.

Business Continuity

Without a business survival plan, the consequences for a business owner's employees, customers, family and estate can be devastating. Life insurance can help mitigate these risks by serving as a funding tool for your plan.

How it Works

Product Structure

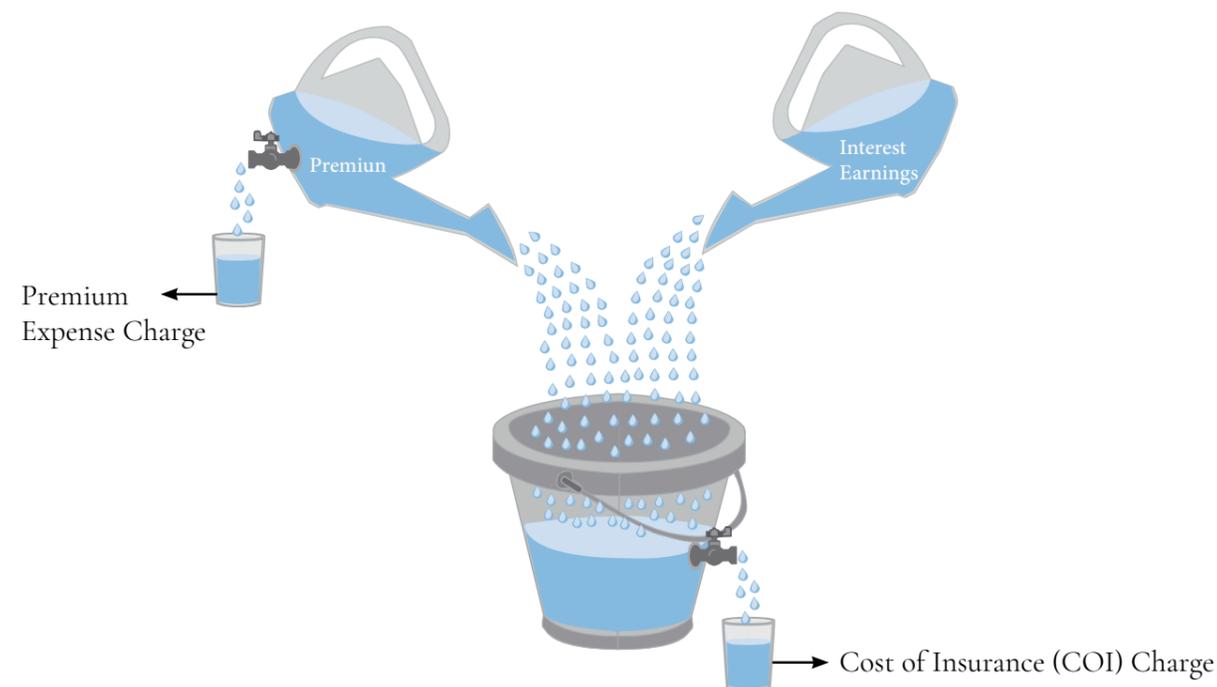


Key Benefits:

- Available to residents in over 150 countries
- Access to the worlds largest insurance carriers
- Full flexibility; contributions can be single, regular or bank financed
- Upside cash value growth with downside protection of minimum guarantees
- Policies may be owned by an offshore trust or personal investment company (PIC)

Premiums Account Value

$$\text{Account Value} = \text{Premium Paid} + \text{Interest Earnings} - \text{Premium Expense Charges} - \text{Cost of Insurance}$$



Success Stories

UK Inheritance Tax Funding

Mr. Shah is a 57-year-old UAE resident who owns a private investment company (PIC) structure that owns a £9m property portfolio. His PIC owns this portfolio outright with no outstanding mortgage.

He uses one of the properties personally for himself and family members during the summer. The rest are rented and accumulate rental income throughout the year.

The client is aware that his portfolio is now likely to be subject to UK IHT at a rate of 40% on his death, now that the UK IHT changes are implemented. His potential liability is now £3,470,000 (£9m minus £325,000 ((Nil Rate Band)) x 40%) and would grow as the value of the properties increases over time.

The Solution

Mr Shah's lawyer, family office, and financial adviser, recommend that he secures a universal life insurance contract with a sum assured of £4m which would cover the potential UK tax liability upon time of death. He was to name his wife and children as the beneficiaries, providing them required liquidity to meet the tax liability and protect the family's wealth and assets.

The policy was structured as a 10-pay premium payment term, to meet the cash flow requirements. Since the client was in good health, he received a super preferred underwriting offer with an annual premium of £150,000.

The 4% rental yield from his property portfolio was more than sufficient to fund the ongoing policy premiums.

Success Stories

Key person protection

A growing start-up wanted to protect itself financially from a possible untimely death of their 45-year old Managing Director, the main driving force behind the business.

They wanted to make sure it had the financial protection that would provide for the loss of income of the key person, as well as the expected cost of recruiting and training his replacement. This was calculated to be a sum of \$8m.

The solution

The business was able to secure a Universal Life insurance policy with a guaranteed death benefit of \$8m. As the business was the owner of the policy, they were comfortable with their cash flows to fund the \$100,000 annual premium over 20 years.

Benefits

The purchase of key person insurance benefits both the business and the executive (key person). The business benefits from having a source of income to offset the loss of revenue and continue to grow by recruiting a skilled replacement, in addition to protecting the company's credit position. It can also access the potential cash value of the life insurance policy for cash flow, retirement benefits or other unexpected expenses.

The executive benefits from the knowledge that he or she is essential to the business operations, and the key person plan may be used to fund the executive's supplemental retirement income through policy loans and withdrawals.

Fair inheritance

Ms. Joan, A 60 year old client runs a successful business with one of her sons. Her daughter is not involved in the business and has a career as an artist in New York. The client would like to leave 100% of the business to her son while ensuring that her daughter receives a fair inheritance.

The client estimated the net worth of the business to be around \$30m. She therefore purchased a Universal Life policy with a death benefit of \$30m using a single premium of \$13m.

The Solution

As most of Ms. Joan's assets were tied to the business, they decided to pursue a multi-pay strategy instead of funding the entire premium up front.

Ms. Joan could use her available cash flow to incept the policy utilising a 15-pay premium strategy allowing her to fund the policy throughout the 15 years using dividends received on assets.

Unique Benefits of a Multi-Pay Strategy

- Ability to self-fund the policy.
- Focus on the immediate higher Net Death Benefit and strong Cash Value Accumulation potential in the future.
- Flexibility to utilise excess funds during the premium payment period for other short term needs.
- Eliminates concerns of having an outstanding loan.
- On her death both children receive an equal amount.





Success Stories

Liquidity

A client has a trust containing 5 properties in various jurisdictions totalling \$30m and an investment portfolio valued at \$1m.

He is concerned about his wife and children's need to sell the properties to release funds and provide liquidity upon his death.

He therefore purchases a \$5m Universal Life policy with a single premium of \$1m.

The client used his portfolio held with his global private bank to secure 80% financing of the policy

His portfolio provided additional revenue to fund the interest payments on the loan. Given the client's cash flow position, the bank financing of this insurance contract was the best solution.

Family Security

A 50-year-old client with a wife and 4 children is concerned about protecting his family in the event of his unexpected death.

He owns and is the main driving force behind a growing technology company where most of the profits are re-invested back in to the business to support the optimistic expansion plans.

Most of his \$40m wealth is tied up within the business and he decides to purchase a \$20m policy to provide the peace of mind he needs to concentrate on expanding the business operations.

The premium is paid on an annual basis over 15 years at \$500k p.a.





Success Stories

Conservative Asset Diversification

A client has a portfolio made up of property and high risk growth/specialist funds.

He is concerned about the lack of liquidity in his portfolio and would like to diversify his investments to include a cautious element.

He decides to purchase a \$5m Universal Life insurance policy for a single premium of \$1m to reduce risk and correlation within his overall portfolio while providing diversification and a guaranteed life policy.

About Huriya Private

Together, we secure your tomorrow.

For over 25 years, the team at Huriya Private have been offering highly bespoke, confidential, legal structures to meet the needs of today's global high net worth and ultra-high-net-worth individuals.

The group is led by Founder and Managing Director, John Hanafin, who has been advising on a range of financial solutions for over 30 years. John is a Chartered member of the Securities Institute (CISI), a member of the Society of Trust and Estate Practitioners (STEP), a member of the International Tax Planning Association (ITPA), a member of the International Business Structuring Association (IBSA) and an FA Registered Intermediary, authorized to conduct intermediary activity on behalf of professional football players and clubs in England.

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