

INTERNATIONAL LIFE INSURANCE

Private letter and revenue rulings by the IRS have had a decided impact on investor control that is control by a policyholder over the investments supporting his or her private placement life insurance policy.

Not only did these rulings amend the diversification regulations by deleting nonregistered partnership exceptions, directly impacting both PPLI and OPPLI policies, but the IRS also issued a trilogy of private letter rulings that both affected and provided safe harbors for variable life insurance contracts which choose to invest in certain mutual funds investments (insurance-friendly hedge funds).

Marks Paneth & Shron LLP is intimately familiar with the statutory and regulatory requirements necessary to obtain favorable tax benefits of PPLI and OPPLI policies as well as the myriad of rules governing the status of the arrangement for tax purposes of life insurance and the complex diversification requirements and owner control issues involved.

Services Offered:

- Planning Private Placement Life Insurance Component Parts and Platforms
- Planning Asset Protection Strategies
- Analysis of Alternative Private Life Insurance Policies: VUL, PPLI, and OPPLI
- Planning and Implementation of Private Life Insurance Policies
- Securing Favorable Tax Treatment in Accordance with Code Section 7702
- Advisory Services on Diversification of Private Placement Variable Life and Annuities
- Analysis of Tax Exemption Status for Domestic and Offshore Products in Accordance with Sec. 7702 Provisions Regarding the Premium/Cash Value Corridor and the Cash Value Accumulation Test
- Valuation of Policy's Cash Value
- Creation and Implementation of Wealth Management Structures
- Characterization of Private Life Insurance Policies Under the Modified Endowment Contract (MEC) Rules
- Monitoring, Review, and Reorganization of Current Policy Structures to Abet Tax Planning and Meet Current Personal/Business Objectives
- Analysis and Restructuring of Current Private Life Insurance Structures