



Market: Singapore

GLOBAL PRIVATE WEALTH – LIFE INSURANCE SOLUTIONS

Our internationally recognised solution for integrated wealth planning combines life insurance with a wide range of investment opportunities. We provide country-specific expertise, and ensure asset and investor protection with supervision by the Luxembourg and Liechtenstein insurance regulators. Our tailor-made solutions allow high flexibility in terms of investment options, estate and succession planning, and asset management.

Most common situations covered

- Cross-border succession planning for Singaporean residents
- Beneficial planning tool for Singaporean living abroad
- Asset protection for business owners

Clients' needs



Succession Planning



Asset Protection



Investment Flexibility



Asset Management



Compliance & Recognition



Cross-border & Mobility

Life insurance benefits compared to traditional investment portfolio

	Life insurance	Investment portfolio
<i>Succession Planning</i>	<ul style="list-style-type: none"> · Upon death of the insured person, assets may be distributed probate-free to nominated beneficiaries. · Death cover: additional liquidity may be provided to the beneficiaries. 	<p>Upon death of the account holder, the legal heirs are subject to:</p> <ul style="list-style-type: none"> · collect the worldwide assets · administration of lengthy probate · frozen assets means missed-opportunities in the investment market <p>Only after the grant of probate, the bank releases the assets.</p>
<i>Asset Protection</i>	<ul style="list-style-type: none"> · Assets underlying life insurance contract are not part of the estate of the policyholder. 	<ul style="list-style-type: none"> · The bank account is part of the estate of the account holder and can be subject to execution by creditors.
<i>Reporting</i>	<ul style="list-style-type: none"> · Reporting of the insurance solution is performed by the insurance company. 	<ul style="list-style-type: none"> · Income to be reported every year in the annual income tax return with clear indication of dividends, interests, capital gains, etc.
<i>Income Tax</i>	<ul style="list-style-type: none"> · No taxation on the income accumulated on the policy account (tax deferral) · Dividends and interests can be lowered depending on the applicable double tax treaty. 	<ul style="list-style-type: none"> · Income generated by investments and simply accrued on the bank account to be taxed every year at applicable tax rate.

Insurance conditions

- Policy term is for whole of life.
- Special investments e.g. private equity and other unquoted investments are subject to approval.
- Part or full surrender are permitted at any time.
- Additional premiums are permitted at any time.

Illustrative case studies

LAP Product

Singaporean resident with large portfolio

A retired Singaporean national owns a family business. She has a net worth of \$45 million, of which \$30 million derives from the stake under the family business.

Needs

- Effective succession planning
- Protection of savings from risks ordinarily connected to business activities
- Simplify reporting obligations and increasing financial privacy
- Tax efficiency on passive income, i.e. dividends, interests and capital gains.

Solution

- **Estate Planning.** The contract will provide the possibility to secure the succession planning in accordance with his personal wishes.
- **Asset Protection.** Offers protection on assets that are irrevocably nominated via the insurance contract.
- **Simplified Reporting Obligations.** Only policy value to be included in his tax return.

VUL Product

Singaporean resident with bond portfolio

A widower Singaporean resident has 3 sons and has inherited husband's estate worth USD 14m. She receives investment income from a bond portfolio, which supplements her retirement income.

Needs

- Retain investment income until it is time to distribute her wealth to her children.
- Pass on the assets to her children without disposing them on the market
- Equalize the distribution of her wealth among her 3 sons.

Solution

- **Investment Flexibility.** VUL policy can be funded with a bond portfolio so that she can keep receiving additional income.
- **Wealth Transfer & Estate Planning.** In case of death, the VUL policy can be redeemed in the form of Bond and/or cash.
- **Wealth Creation & Estate Equalization.** The initial premium is lower than the sum assured. The investment portfolio will perform to create additional wealth and the amount payable to each child after she passes away will be the sum assured for each of them.

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