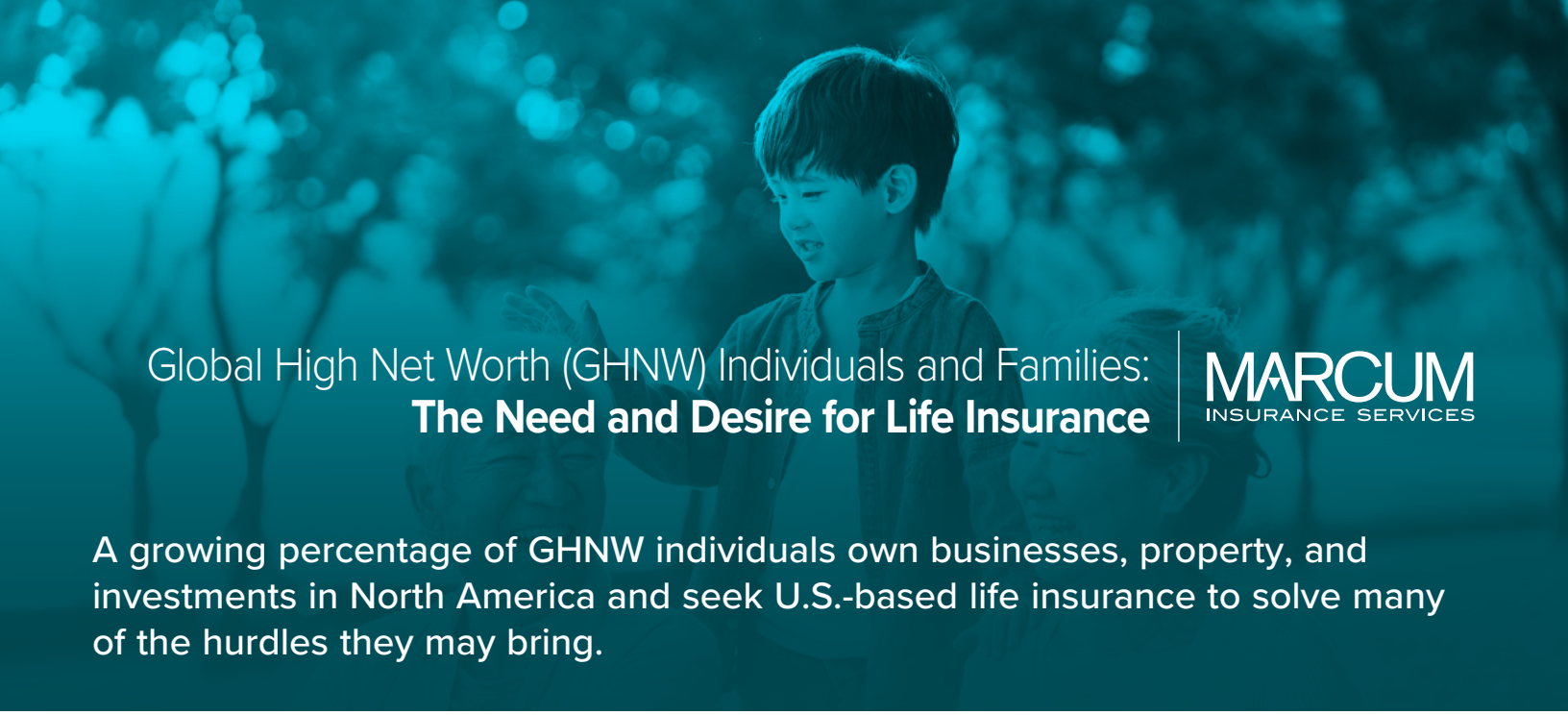


Global High Net Worth (GHNW) Individuals and Families: **The Need and Desire for Life Insurance**

MARCUM INSURANCE SERVICES

A growing percentage of GHNW individuals own businesses, property, and investments in North America and seek U.S.-based life insurance to solve many of the hurdles they may bring.

Personal Benefits

- Provides immediate liquidity for family in the form of tax-free gift, wage, and estate income in U.S. dollars
- Circumvents economic or political risk in one's home country
- Provides liquidity to maintain U.S.-based family real estate for current and future generations
- Provides diversified U.S.-based investment in the form of accessible cash value
- Enables exponentially larger gifts to charity. Many charitable gifts of great size are made by insurance pledges. This frees up cash flow during your lifetime to support significant gifts upon death.

Business Benefits

- Ensure business interests with U.S. operations have an ownership/business continuation plan.
- Buy time to sell or transfer the company for the most attractive valuation in the absence of key employees or owners.
- Avoid the significant estate or gift tax that become due upon death when transferring a business to the next generation, and the need to sell the business, take on debt, or dilute the business with private equity in the absence of life insurance.

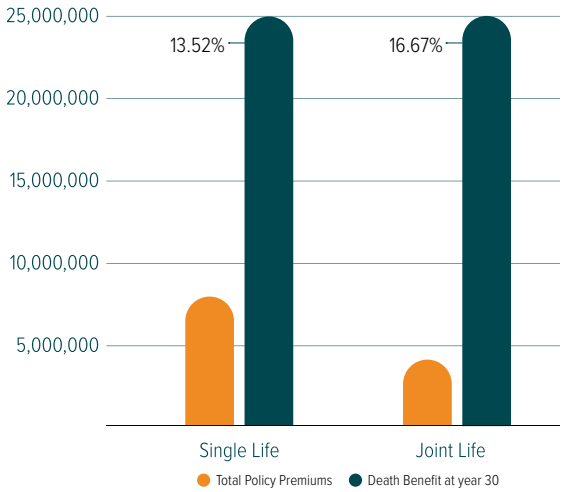
Wealth Transfer Benefits

- Provides highly leverage dollars to create liquidity at the precise time it is needed, if multinational family wealth becomes subject to increased exposure to unexpected income and/ or transfer taxes.
- May have as little as a $60,000 estate tax exemption. This creates an estate tax due upon death at 40% of the value of assets above $60,000 (Non-Resident Alien with Meaningful U.S. Nexus).
- Provides cash value that may be accessible during the life of the insured and spouse, tax-free.
- Death Benefits are tax-free and can be placed into Irrevocable Life Insurance Trusts to avoid inclusion in the family's taxable estate.

Why U.S.-based insurance?

- Lower cost of insurance than coverage offered by foreign carriers.
- More favorable rules governing access to cash value compared to foreign carriers.
- Stability of U.S. insurance carriers compared to foreign carriers.
- Strength and stability of the U.S. dollar denomination of the policy. Access to investment opportunities in U.S. companies or unique interest crediting strategies not available with policies from foreign carriers.
- Asset protection and privacy with respect to income reported back to the family's home country.

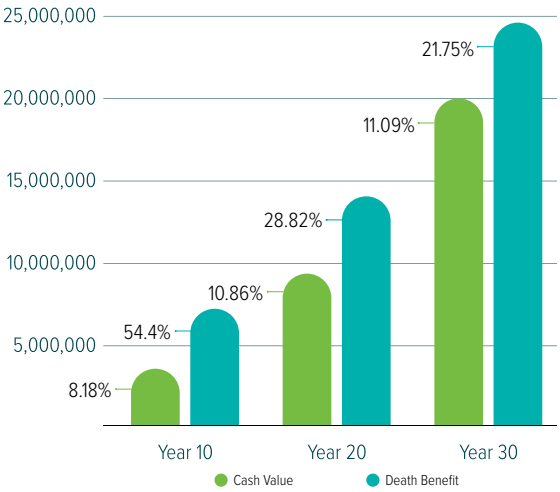
Death Benefit Design



Percentage calculations above are Internal Rates of Return (IRR).

- Death benefits pay income and estate (if owned inside an irrevocable living trust) tax-free.
- Helps provide portfolio diversification into assets with a guaranteed and predictable internal rate of return (IRR).
- Helps to level the estate for heirs when illiquid business assets remain.
- IRR% is income and estate taxable equivlaent assuming estate is in excess of allowable exclusions.

Cash Value Design



Percentage calculations above are Internal Rates of Return (IRR).

- Design focused on maximum cash value and minimum death benefit.
- Cash value can be accessed in a lump sum or as a tax-free income stream.
- No tax reporting to tax residency for policy contribu- tion, loans, withdrawals, or death benefit.

Assumptions & Facts:

State tax rate of a California resident. Currently 37% federal, 13.3% California state tax, and 3.8% net interest income. Gift and estate tax 40%. 60/40 portfolio blended tax rate: 43.90%.

Death Benefit IRR=Internal rate of return guarantees are specific to individual policies and features.

Cash Value IRR =Internal rate of return based on the underlying performance of the cash value of the policy

LE=Life Expectancy (age 82 males / 90 females).

Sample Income and Tax-Adjusted IRR of 5.16%=(5.16%/(43%)=10.00%.[1]

Income and estate tax adjusted IRR =10.00%/(1-40%)=16.67%.[2]

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Related Documents:

1 Lincoln VULONE[ONE]

2 VUL Optimizer[SM]

3 Lincoln SVUL[ONE]

[1] Cash Value IRR's are calculated per the above Calculation

[2] Death Benefit IRR's are calculate per the above calculation*

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