



**.i SquadraPartners**

# Private Placement Life Insurance

*An introduction to private placement life insurance and its benefits.*

# Who We Are

*Scuadra Partners is a globally regulated insurance broker specializing in high-net-worth insurance structures.*



## Global Reach

Licensed in over 30 international jurisdictions with partnerships across 50+ premier insurance carriers.



## Trusted Partnerships

Serving global banks, legal professionals, RIAs, and estate planners with precision and care.



## Expert Team

Over 20 seasoned professionals with diverse expertise navigating complex international regulations.



## Strategic Headquarters

Miami-based with a sophisticated approach to estate, wealth, and insurance solutions.



# Why choose Scuadra

Scuadra Partners stands out as a premier life insurance agency, dedicated to boosting wealth, planning estates, and safeguarding assets for clients worldwide.

## Estate Planning

Comprehensive planning to preserve and transfer wealth efficiently.



## Wealth Enhancement

Tailored solutions to maximize wealth growth through tax-advantaged strategies.



## Asset Protection

Structures designed to shield assets from potential creditors and liabilities.



# Challenges Facing High-Net-Worth Families

*Today's high-net-worth families face a range of complex financial and legal challenges that threaten the preservation of their wealth*

## Tax Burden

High income tax rates between **30-50%** significantly reduce wealth accumulation potential



## Inheritance Tax

Estate taxes can diminish family legacy and reduce assets transferred to heirs



## Succession Complexity

Transferring wealth across generations creates legal and emotional challenges



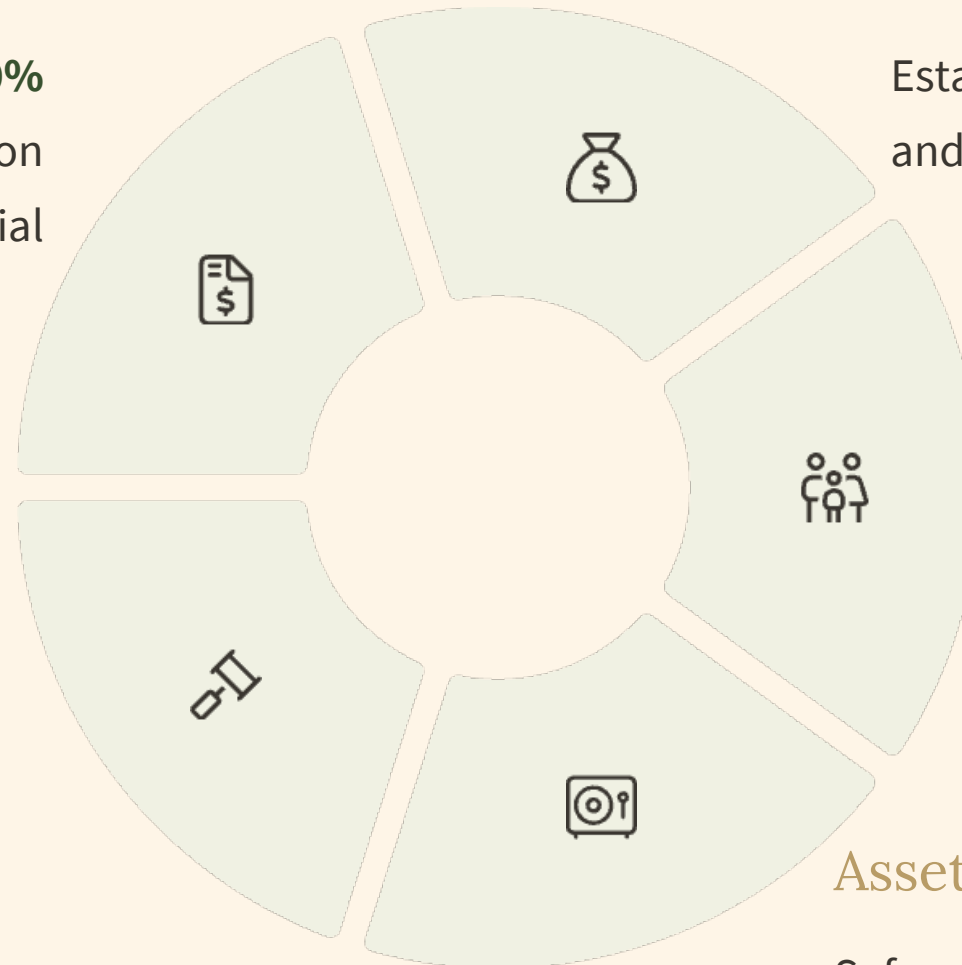
## Litigation Risk

High-net-worth families face increased exposure to potential lawsuits



## Asset Protection

Safeguarding family wealth from market volatility requires strategic planning



# Private Placement Life Insurance: Tax-Efficient Wealth Management

Discover Private Placement Life Insurance (PPLI) with Scuada Partners, a sophisticated financial planning tool combining life insurance benefits with private investment portfolio flexibility. It combines the tax advantages of life insurance with customized investment options, offering a powerful vehicle for long-term wealth preservation, estate planning, and income tax deferral.

*Designed for high-net-worth individuals, PPLI offers unique advantages:*

## Tax Efficiency

Enables policyholders to grow wealth with tax advantages

## Wealth Transfer

Facilitating generational wealth transfer

## Asset Protection

Safeguards assets from creditors and legal claims.

## Investment Flexibility

Ability to invest in diverse asset classes such as Hedge Funds, Private Equity, Private Credit and Real Estate

## Privacy

Maintaining confidentiality in financial matters

# Value Proposition of PPLI

*The Cost of a PPLI Investment Account policy is Lower than the Cost of Taxes*



## Efficient Investment

99% of capital becomes actively invested upon funding. Total structure fees average less than 90 basis points yearly.



## Tax-Free Rebalancing

Investors can rebalance portfolios without incurring taxes when transitioning between investments.



## Lifetime Distributions

85-90% of account value can be distributed tax-free during the insured's lifetime.



## No Age Penalties

Access cash value

# PPLI Guidelines & Requirements

Even though PPLI is a powerful wealth planning tool, it must meet strict guidelines and requirements to be effective.



## Economic Substance / Purpose

The structure must demonstrate legitimate insurance risk.



## Accredited Investor Status

The policy owner must meet applicable financial thresholds



## Medical Underwriting

Investors must undergo a medical exam before investing in PPLI.



## Investor Control Restrictions

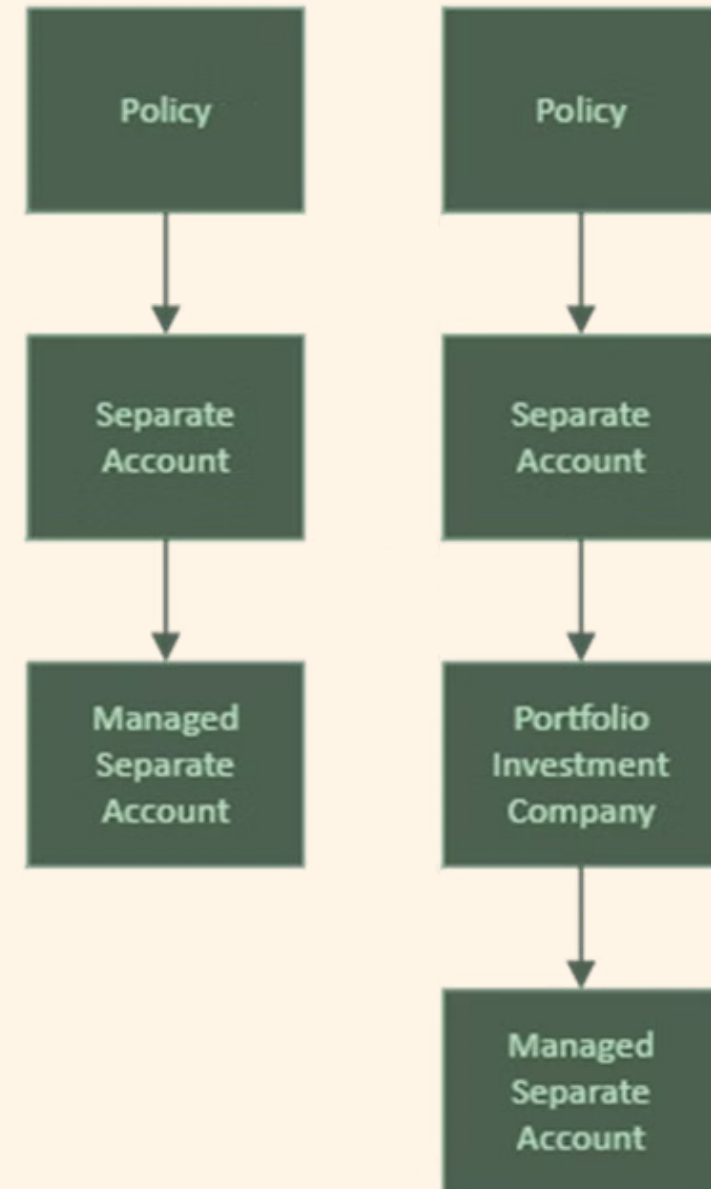
Policy owners cannot exercise influence over specific investment decisions.

# PPLI: The Separate Account

Every policy is linked to a separate account established by the insurance company for premium investment and future benefit payments.

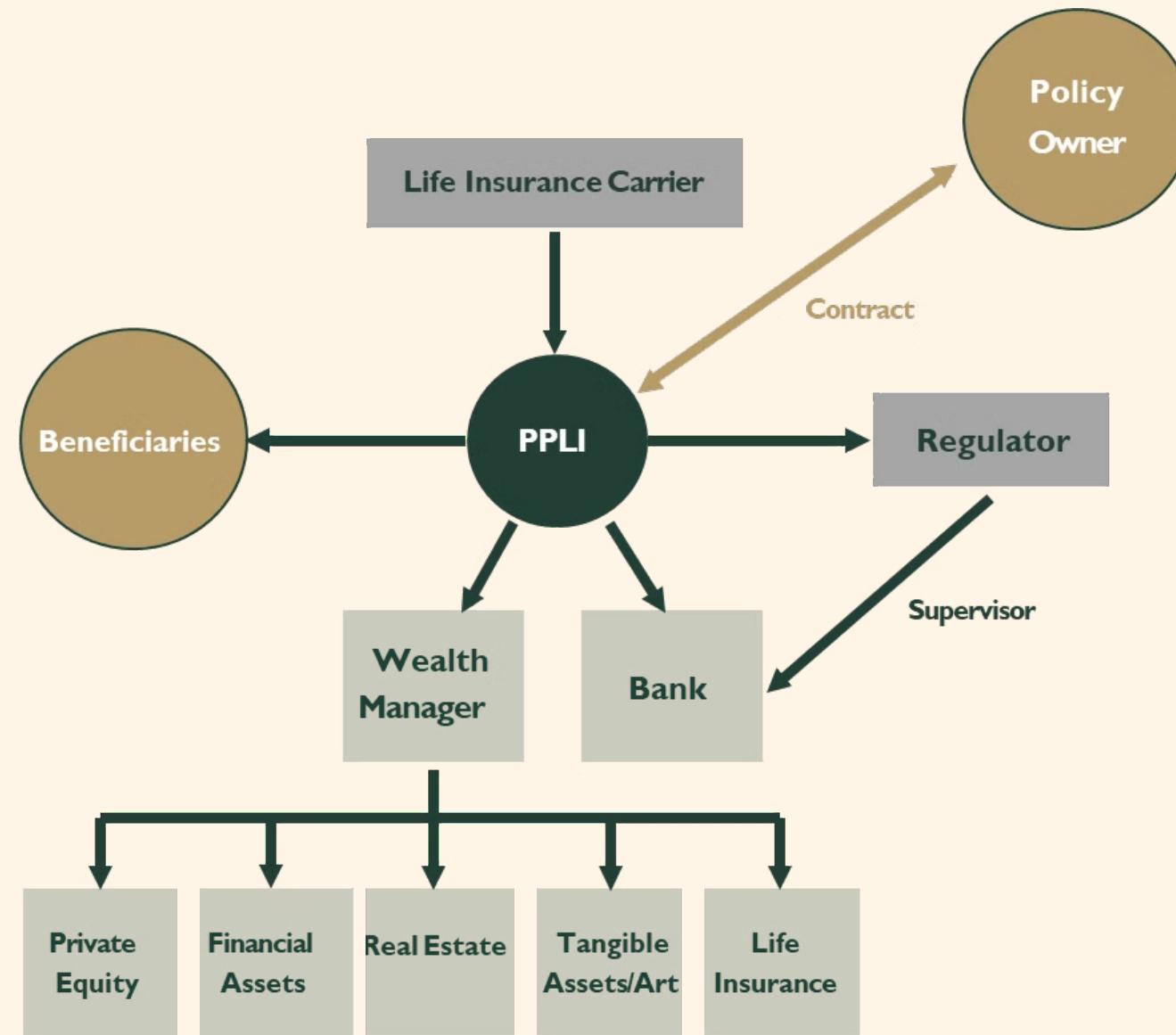
*Key features of separate account legislation across jurisdictions:*

- International Insurance Company maintains legal and beneficial ownership
- Account holds assets specific to individual policies
- Legally distinct from other accounts and the general insurance account
- Protected from liabilities unrelated to the specific policy
- Protection remains valid whether the Insurance Company is solvent, insolvent, or undergoing liquidation



# PPLI Structure

*Example Structure for a Non-U.S.-Based PPLI Strategy. For discussion purposes only. Subject to legal and tax review.*



# Tax & Other Benefits Comparison

Benefit Type	Taxable Accounts	PPLI Investments
Income	Taxable	Tax-Free for Life of Policy
Short-term Capital Gains	Taxable	Tax-Free for Life of Policy
Long-term Capital Gains	Taxable	Tax-Free for Life of Policy
Creditor Protection	None	Safeguards assets from creditors and legal claims.
Transfers to other Life Policies	N/A	Tax-free
Death Benefit Tax Treatment	Can be tax exempt in many jurisdictions	Can be tax exempt in many jurisdictions
Treatment at Death	Subject	Bypasses probate — death benefit goes to beneficiaries in a matter of days

# PPLI vs Trusts Benefits Comparison

Benefit Type	PPLI	Trusts
<b>Asset Protection</b>	Enhanced Asset Protection	Limited asset protection
<b>Tax Benefit</b>	Tax deferral or tax free and no capital gain tax	Limited or not direct tax deferral on payouts
<b>Multi Jurisdiction</b>	Life insurance is recognized in almost all jurisdiction and have free portability amongst jurisdictions	Trusts are not multi jurisdictional as trusts are not recognized in non-Anglo-Saxon jurisdictions
<b>Regulation</b>	Life insurance contracts are issued by regulated insurance companies	Trusts are managed by independent Trust Companies, but their regulation is either quasi-inexistent or they are based in jurisdictions that are poorly regulated
<b>Control</b>	Owner can revoke contract at will, assign different asset managers	With some trust structure, owner loose control as they are irrevocable and require a trustee

# Types of Policies available

	PPLI	Frozen Cash Value	Zero Cash Value	Unit-Linked
<b>Purpose</b>	Wealth accumulation with tax efficiency	Asset protection and tax deferral	Maximizes asset protection	Wealth accumulation with tax efficiency
<b>Cash Value</b>	Fully accessible and grows tax deferred	Cash value effectively frozen	Negligible cash value	Fully accessible and grows tax-deferred
<b>Investment Options</b>	Investment Manger discretionary mandate	Investment Manger discretionary mandate	Investment Manger discretionary mandate	Investment Manger discretionary mandate
<b>Premium</b>	High due to customization and flexibility	Lower than standard PPLI	Lower Premiums	Varies depending on investments and structure
<b>Tax Efficiency</b>	Income and capital gains tax deferred	Income and capital gains tax deferred	Income and capital gains tax deferred	Varies depending on jurisdiction and structure
<b>Liquidity</b>	Withdrawals or loan possible	Low, withdrawals restricted to premium amount	None, cash value kept at minimal	Withdrawals or loan possible
<b>Ideal Use</b>	Tax-advantage wealth accumulation and estate planning	Tax-advantage and estate planning	Asset protection, succession planning	Tax-advantage wealth accumulation and estate planning
<b>Jurisdictional Use</b>	Flexible across jurisdictions	Flexible across jurisdictions	Flexible across jurisdictions	Flexible across jurisdictions

# Performance Comparison

*PPLI significantly outperforms traditional taxable investments due to its tax-free growth potential.*

Taxable Investment Account			
Net Investment Return	Account Value at Life Expectancy	IRR at life Expectancy	Impact of Income Taxes
9.00%	\$75,529,463	5.39%	3.61%
7.00%	\$48,441,591	4.18%	2.82%
5.00%	\$30,976,154	2.98%	2.02%

PPLI Investment Account Policy			
Net Investment Return	Account Value at Life Expectancy*	IRR at life Expectancy	Impact of Income Taxes
9.00%	\$227,143,470	8.44%	0.56%
7.00%	\$110,445,132	6.3%	0.7%
5.00%	\$52,755,459	4.4%	0.7%

## Comparative Impact Analysis

For a 37-year-old male (\*Life expectancy 83) with a \$10M investment, PPLI policy fees reduce returns by only 70 basis points, while tax impacts on traditional investments are dramatically higher at 250-420 basis points over similar time horizons.

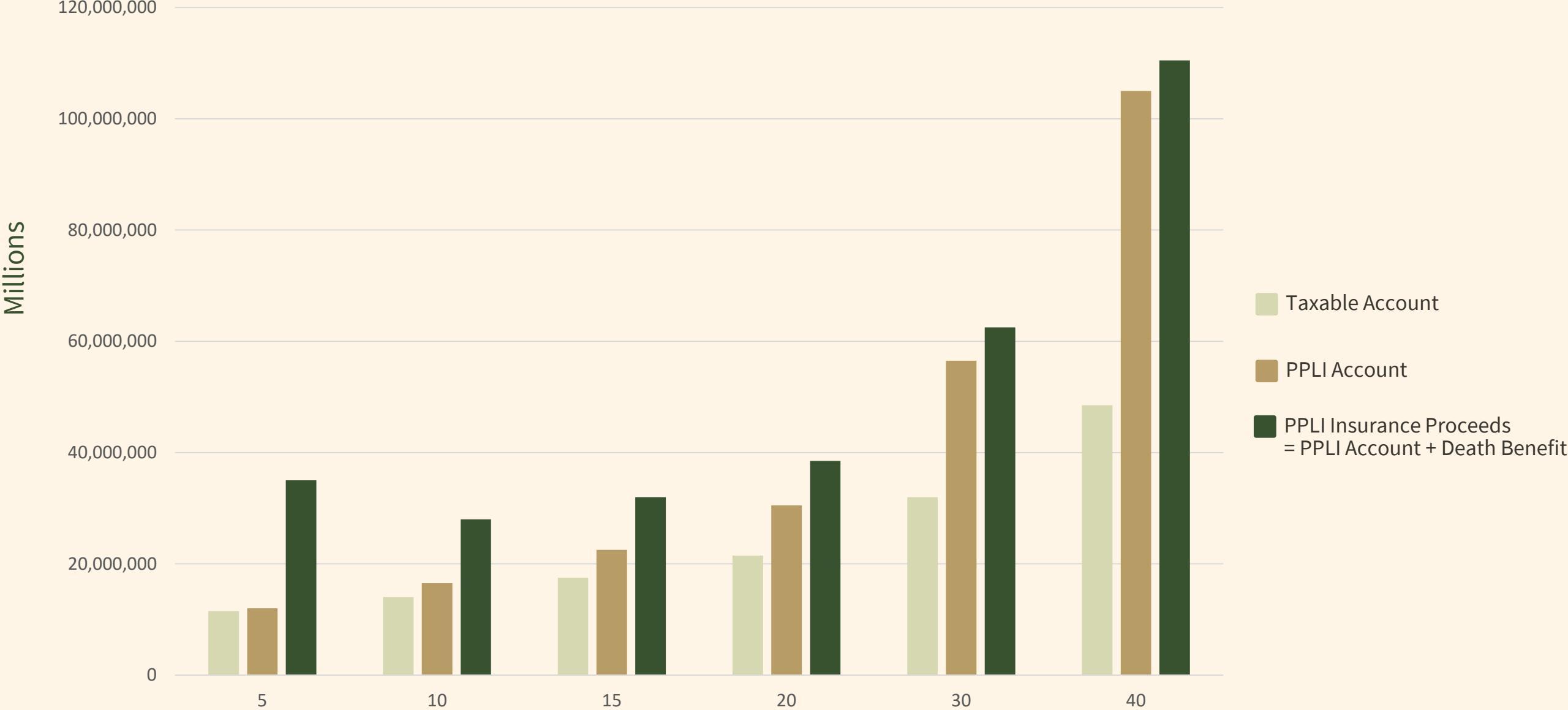


## Investment Conclusion

The significant difference between fee impact and tax impact demonstrates why PPLI offers compelling advantages for high-net-worth investors.

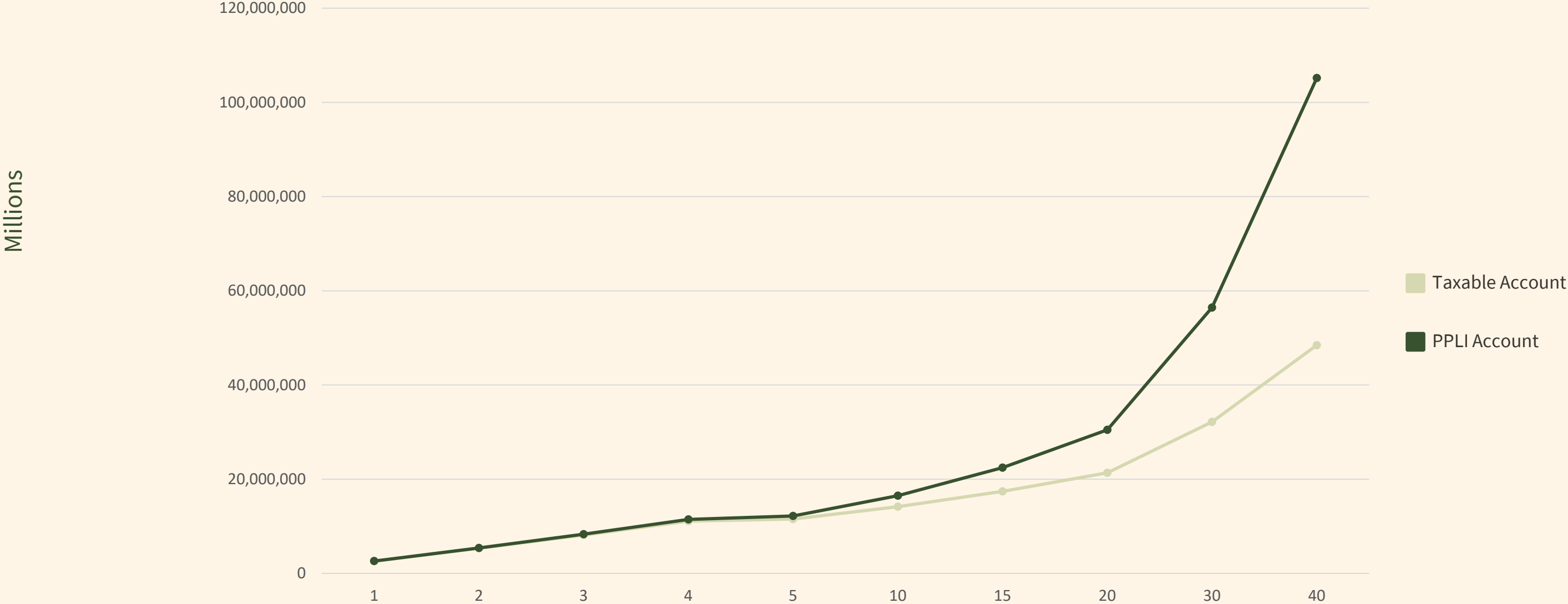
# Performance Comparison

*Based on \$2.5 million annual deposit year 1-4 and a 7% annual Return.*



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# Country Characteristics

Country	Type of PPLI	Income Tax Deferral	Wealth Tax Exempt	Death Benefit Tax impact	Premium Tax Exempt
Peru	All are applicable	Yes	N/A	Death cover required 5-10% Policy Benefit not subject to tax.	Premium tax of 2,1% on risk mortality premium
Ecuador	All are applicable	Yes	N/A	Death cover required 5-10% Policy Benefit not subject to tax.	N/A
Colombia	Frozen & Zero Cash	Yes	Wealth Tax exists in Colombia. Frozen and Zero Cash Value can help mitigate this.	Death cover required , from \$10K Policy Proceeds will be taxable at a rate of 15%	N/A
Mexico	All are applicable	Yes	N/A	Death cover required. Policies could be tailored as a Multi-Life policy.	N/A
Brazil	Frozen & Zero Cash	Yes, with a Frozen and Zero Cash Value Policy	N/A	Death cover required.	N/A

# Disclosure

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**Each country has its own set of laws and regulations regarding life insurance, and these regulations can vary significantly from one country to another. It's important for individuals considering life insurance to be aware of the specific laws and regulations in their country.**

**All applications are subject to underwriting approval. Like most life insurance policies, Scudra’s policies contain exclusions, limitations, reductions of benefits and terms for keeping them in force.**

**For complete costs and details, contact a Scudra representative. In providing this information, neither Scudra nor any of its affiliates or financial professionals is acting as your ERISA fiduciary.**



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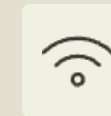
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