

Life Insurance Planning for High Net Worth Individuals In Russia

March 2010



International Planning Group

- For over 30 years, International Planning Group and its affiliated companies have been recognized as a pioneer in developing sophisticated life insurance based planning solutions for high net worth and corporate clients in the US and around the world.
 - Exclusively focused on the global high net worth clients
 - Syndication capabilities to deliver coverage in excess of \$200MM per life
 - Direct relationships with dozens of life insurers and leading reinsurers
 - Standards of execution for new business and unique personalized servicing
 - Extensive knowledge of tax and insurance laws in 50+ countries

International Planning Group

➤ Subsidiaries and Branches:

- Boston
- Miami
- Toronto
- Bermuda
- Dublin
- Hong Kong
- Singapore
- Geneva

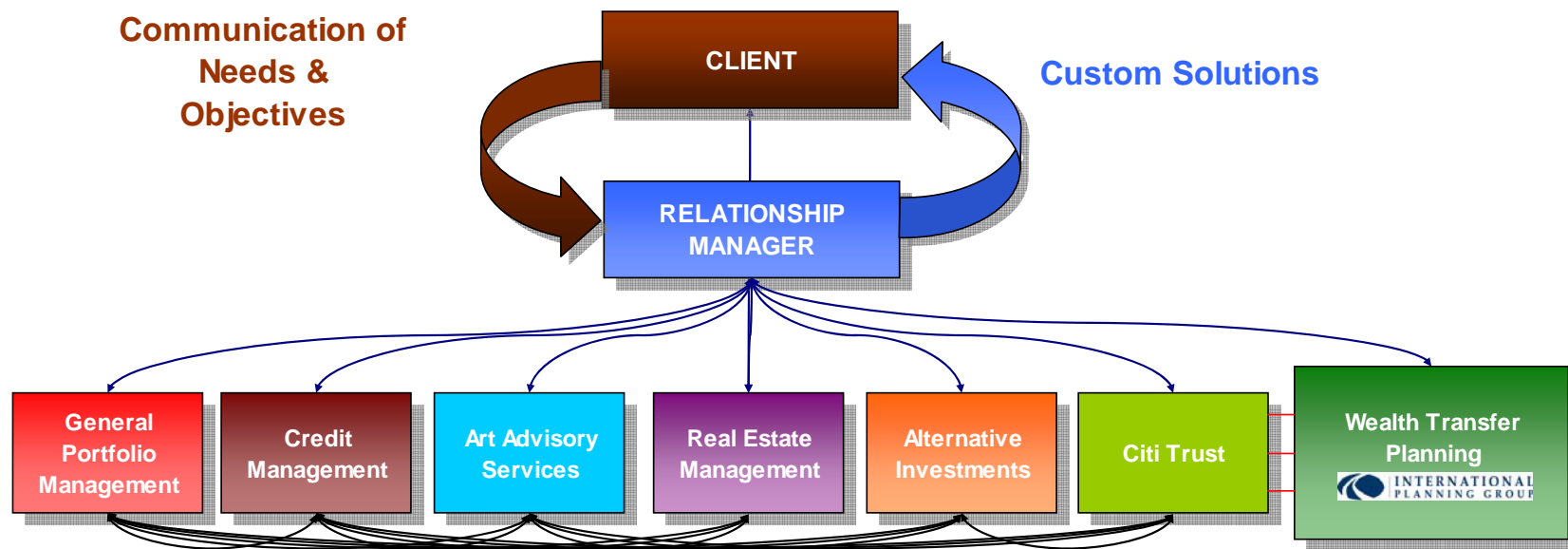
➤ New Branches / Sales Offices Under Consideration

- Dubai
- United Kingdom
- Colombia
- Mexico



The IPG-Citi Private Bank Relationship

- IPG's expertise in designing customized life insurance based wealth transfer plans for high net worth clients compliments Citi's wide array of services.



Market Background & Landscape

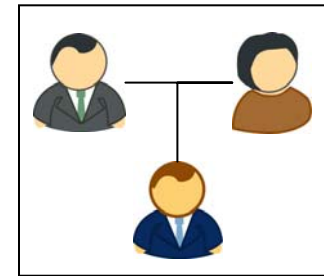
Issues & Trends Affecting Russia High Net Worth Individuals & Families



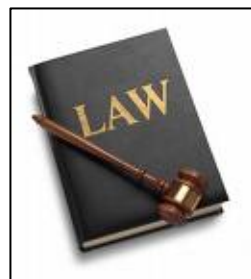
Globalization of Families and Assets



Rationalization and Enforcement of Tax Laws



Transference of Assets between Generations



Application of Forced Inheritance Laws



Market Volatility

Why Offshore Life Insurance as a Solution?

LEVERAGE

Insurance Coverage may be Added, As Needed*

LIQUIDITY

Peace of Mind via Increased Liquidity

TAXATION

Favorable Taxation may Offer Significant Tax Efficiencies

DIVERSIFICATION

Acts as Asset within Portfolio Mitigating Sovereign and Currency Risk

FLEXIBILITY

Policy Customized to Client's Specific Needs

EFFICIENCY

Policy Assets may not be Subject to Forced Inheritance Rules

PRIVACY

Structure & Contractual Relationship Offers High Level of Confidentiality

EXCLUSIVITY

Products Available with Required Capacity at Appropriate Pricing for HNW Population

SAFETY

Available from Secure Insurers in Favorable Jurisdictions

Typical Planning Needs

- IPG's Russia resident clients often secure high amounts of international life insurance to fund the following plans:
 - **Sovereign Risk Mitigation Plans:**
 - Clients often wish to protect against potential political, social and/or economic instability that may result in their government's:
 - Modification of foreign-exchange regulations, potentially restricting the movement of funds offshore;
 - Appropriation or nationalization of private assets; and/or
 - Enactment of adverse legal or tax policies
 - **Family Security / Asset Diversification Plans:**
 - Clients frequently desire to implement plans to ensure the presence of an offshore non-local currency denominated source of liquidity for their family.
 - Need is often driven by limited diversification of a client's asset portfolio.
 - Clients may have 75%+ of their wealth concentrated in a single non-liquid asset, such as a business or real estate.
 - Changes in the value of one or a few assets may have a disproportionate effect on a family's wealth and security.

Typical Planning Needs (continued)

- **Inheritance Equalization Plans:**

- Many clients wish to generate cash to equalize inheritance between heirs. Need is often resultant from:
 - A client's ownership of assets that are not practical, reasonable or desirable to divide, such as a family business in which only some heirs are active; or

- **Business Succession/ Continuity Plans:**

- High net worth Russian clients often wish to facilitate the timely and orderly transfer of a business interest upon their or another shareholder's death. Need is often driven by the desire to:
 - Guarantee a market for a shareholder's business interests; and/or
 - Generate funds for share acquisition

Typical Planning Needs (continued)

- **Key Person Protection Plans:**

- As many Russian resident clients are themselves key persons or employ key persons, our clients often wish to alleviate the adverse impact of a key executive's death on the business. Need is often driven by the desire to offset the financial impact of:
 - Diminished customer/vendor relationships;
 - Weakened credit rating; and/or
 - Decreased productivity among remaining personnel

- **Estate/ Inheritance Tax Funding Plans:**

- With many Russian resident clients acquiring property and/or businesses in high tax jurisdictions such as the UK and US, estate/inheritance tax funding is often necessary to:
 - Prevent heirs from having to liquidate family assets, potentially at "fire sale" prices; and/or
 - Limit disruption and anxiety within the family

Typical Planning Needs (continued)

- Debt Protection Plans :
 - As many Eastern European clients are acquiring debt to grow their businesses, debt protection planning with life insurance is often used to:
 - Eliminate the need for heirs to service a client's debt;
 - Protect against the calling of outstanding loans on the client's death; and/or
 - Mitigate the exposure of personally guaranteed business debt

Planning Considerations

- IPG's approach to designing a wealth transfer plan funded with life insurance will consider the possible effects Inheritance / Estate Tax, Gift Tax, Income Tax or other taxes may have on an individual, family or business.
- Furthermore, IPG's solution will also consider the appropriate and optimal ownership structure that will achieve the most favorable result.

Case Study #1: Business Succession Planning (Partnership)

Background

- Mr. X (age 45) and Mr. A (age 50) have each owned 50% of the largest grocery chain in St. Petersburg, Russia for the past 7 years.
- Each partner's contribution to the business has enabled the company to experience significant growth over the last few years.
- The company is now worth USD 80,000,000 and has an aggressive strategy to expand its presence throughout Russia
- Because of the nature of the industry, the Company is asset rich and cash poor.
- Mr. X is married and has 4 young children; the oldest being 13. His wife is not involved in the business.
- Mr. A is married and has 3 children, his oldest is 24 and works for the Company. Neither his wife nor his other two children have any involvement with the Company.
- Each partner's net worth consists primarily of Company shares and each is integral to the performance and well being of the Company.

Needs & Objectives

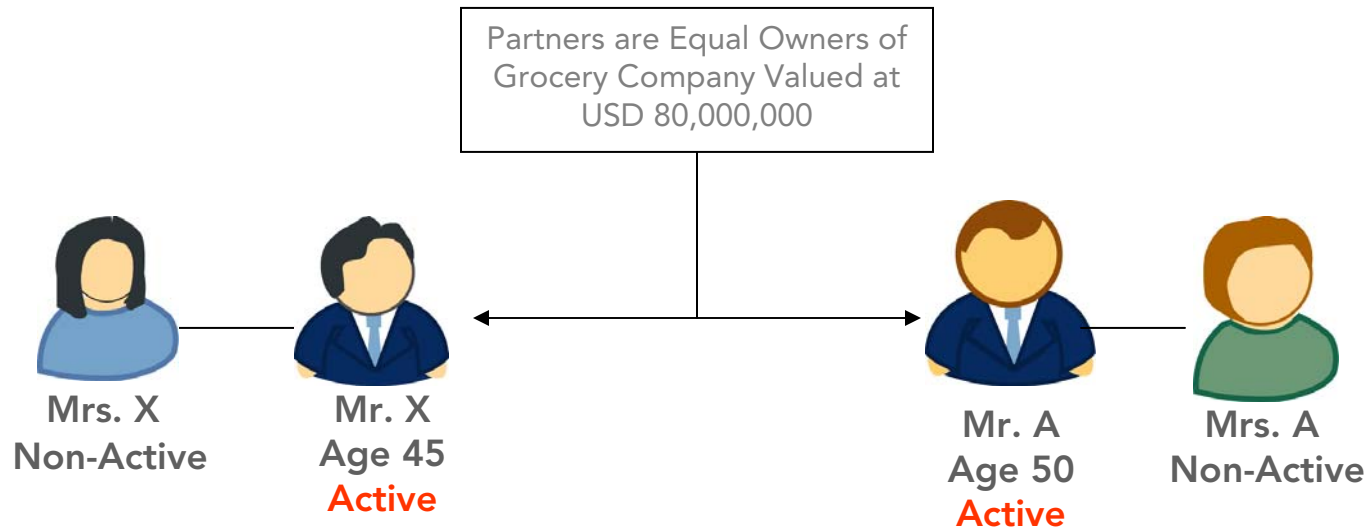
- Develop a strategy to enable the surviving partner to purchase the shares of the deceased partner as well as continue operations effectively in the event of a partner's untimely death.
- Create a mechanism that will provide the family financial well-being while maintaining the partners ability to continue their ownership of the business.

Life Insurance Solution

- Purchase USD 40MM of life insurance on each partner to fund the buy sell agreement
- Purchase an additional USD 10MM in key Man life insurance to help the company through the loss of a key man.
- A 10-pay and lifetime premium scenario were considered.

Case Study #1: Business Succession Planning (Partnership)

Background



Case Study #1: Business Succession Planning (Partnership)

Question

- What are the odds one partner will die before retirement (e.g., age 65)?

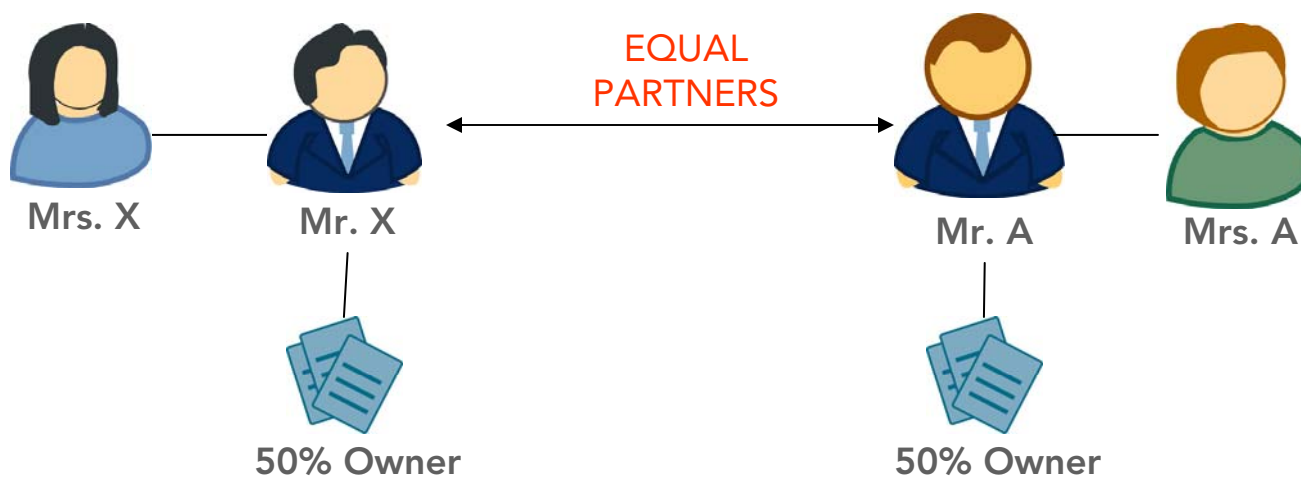
TWO-OWNER BUSINESS*	
AGES	Odds of Death Before Age 65
30-30	41.5%
30-35	40.9%
30-40	40.2%
35-35	40.4%
35-40	39.6%
35-45	38.5%
40-40	38.9%
40-45	37.8%
40-50	36.1%
45-45	36.7%
45-50	35.0%
45-55	32.3%
50-50	33.2%
50-55	30.4%
50-60	25.9%
55-55	27.6%
55-60	22.8%
60-60	17.8%

*Assumes both business owners are males. Source: National Underwriter Field Guide 2007

Case Study #1: Business Succession Planning (Partnership)

Problem

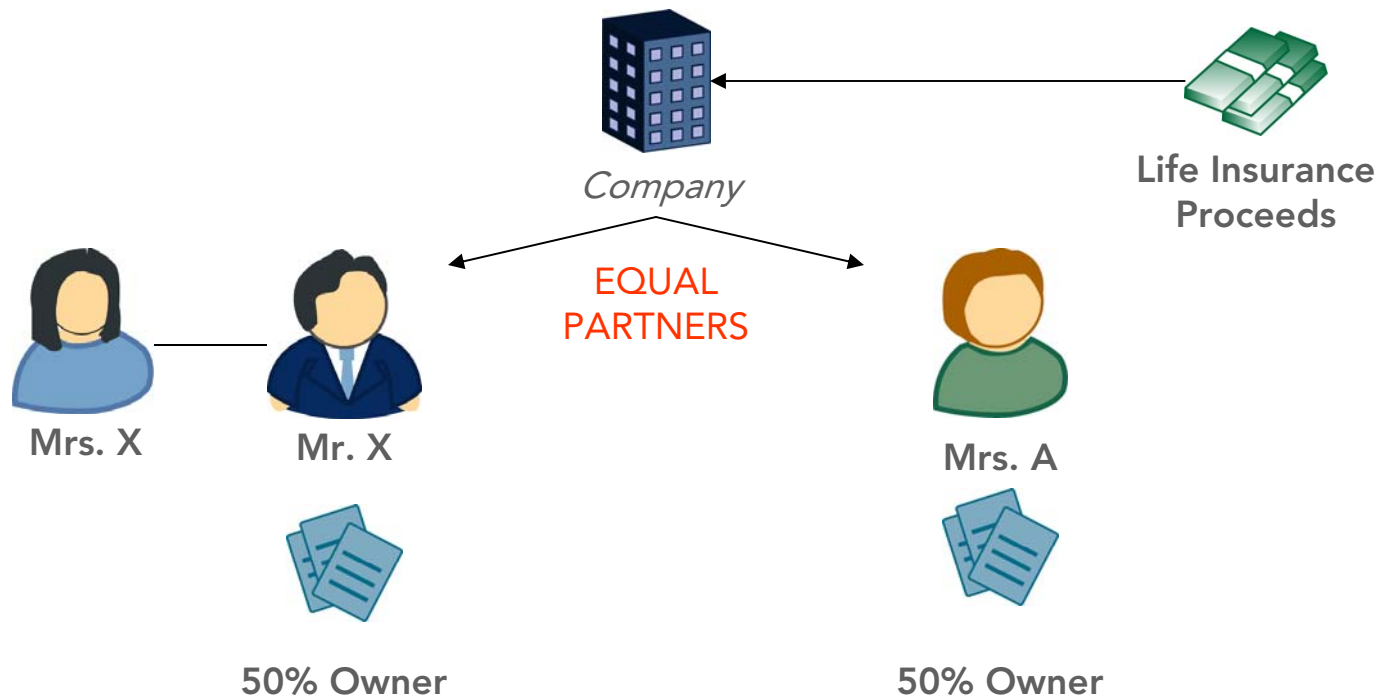
- What are the implications of the death of a shareholder before or after retirement?



- Will Mr. X wish to partner with Mrs. A?
- Will Mr. X or Mr. A want an inactive partner?
- Does Mrs. X or Mrs. A have the experience and expertise necessary to run the business?
- Will Mrs. X or Mrs. A wish to manage the business towards liquidation instead of growth?
- How will creditors, joint venture partners, employees and other react to Mrs. X or Mrs. A?
- What inter-family conflict will result?

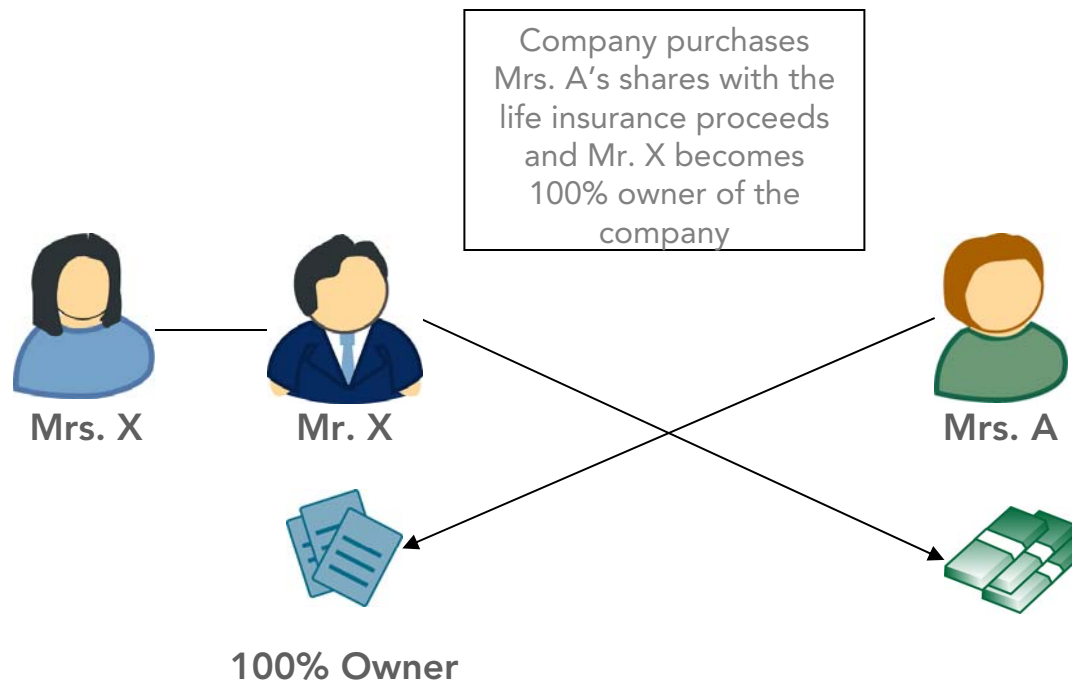
Case Study #1: Business Succession Planning (Partnership)

Solution – Buy-Sell Agreement



Case Study #1: Business Succession Planning (Partnership)

Solution – **Buy-Sell Agreement**



**SAMPLE OFFSHORE CARRIER
UNIVERSAL LIFE ILLUSTRATIONS
Male, Non-Smoker, Standard, Age 45
5.00% Current Crediting Rate, Current Charges**

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Policy Year	Age (EOY)	10 - Pay				Life - Pay			
		Premium Outlay (BOY)	Account Value (EOY)	Surrender Value (EOY)	Total Death Benefit (EOY)	Premium Outlay (BOY)	Account Value (EOY)	Surrender Value (EOY)	Total Death Benefit (EOY)
1	46	\$1,395,611	\$1,220,501	\$0	\$50,000,000	\$668,386	\$500,466	\$0	\$50,000,000
2	47	\$1,395,611	\$2,478,836	\$681,836	\$50,000,000	\$668,386	\$999,551	\$0	\$50,000,000
3	48	\$1,395,611	\$3,777,547	\$1,980,547	\$50,000,000	\$668,386	\$1,496,765	\$0	\$50,000,000
4	49	\$1,395,611	\$5,129,122	\$3,332,122	\$50,000,000	\$668,386	\$2,001,931	\$204,931	\$50,000,000
5	50	\$1,395,611	\$6,546,909	\$4,749,909	\$50,000,000	\$668,386	\$2,526,098	\$729,098	\$50,000,000
		\$6,978,055				\$3,341,930			
6	51	\$1,395,611	\$8,032,927	\$6,348,427	\$50,000,000	\$668,386	\$3,068,103	\$1,383,603	\$50,000,000
7	52	\$1,395,611	\$9,589,996	\$8,017,996	\$50,000,000	\$668,386	\$3,627,292	\$2,055,292	\$50,000,000
8	53	\$1,395,611	\$11,222,932	\$9,762,932	\$50,000,000	\$668,386	\$4,204,930	\$2,744,930	\$50,000,000
9	54	\$1,395,611	\$12,937,267	\$11,589,767	\$50,000,000	\$668,386	\$4,802,835	\$3,455,335	\$50,000,000
10	55	\$1,395,611	\$14,736,672	\$13,501,172	\$50,000,000	\$668,386	\$5,420,178	\$4,184,678	\$50,000,000
		\$13,956,110				\$6,683,860			
11	56	\$0	\$15,235,618	\$14,112,618	\$50,000,000	\$668,386	\$6,052,146	\$4,929,146	\$50,000,000
12	57	\$0	\$15,744,263	\$14,733,763	\$50,000,000	\$668,386	\$6,696,605	\$5,686,105	\$50,000,000
13	58	\$0	\$16,259,538	\$15,361,038	\$50,000,000	\$668,386	\$7,349,724	\$6,451,224	\$50,000,000
14	59	\$0	\$16,783,548	\$15,997,548	\$50,000,000	\$668,386	\$8,014,178	\$7,228,178	\$50,000,000
15	60	\$0	\$17,318,493	\$16,644,493	\$50,000,000	\$668,386	\$8,692,755	\$8,018,755	\$50,000,000
		\$13,956,110				\$10,025,790			
16	61	\$0	\$17,851,706	\$17,851,706	\$50,000,000	\$668,386	\$9,369,595	\$9,369,595	\$50,000,000
17	62	\$0	\$18,400,554	\$18,400,554	\$50,000,000	\$668,386	\$10,066,529	\$10,066,529	\$50,000,000
18	63	\$0	\$18,966,570	\$18,966,570	\$50,000,000	\$668,386	\$10,785,517	\$10,785,517	\$50,000,000
19	64	\$0	\$19,552,040	\$19,552,040	\$50,000,000	\$668,386	\$11,529,468	\$11,529,468	\$50,000,000
20	65	\$0	\$20,159,074	\$20,159,074	\$50,000,000	\$668,386	\$12,301,074	\$12,301,074	\$50,000,000
		\$13,956,110				\$13,367,720			
21	66	\$0	\$20,807,510	\$20,807,510	\$50,000,000	\$668,386	\$13,125,247	\$13,125,247	\$50,000,000
22	67	\$0	\$21,465,424	\$21,465,424	\$50,000,000	\$668,386	\$13,962,033	\$13,962,033	\$50,000,000
23	68	\$0	\$22,131,661	\$22,131,661	\$50,000,000	\$668,386	\$14,810,058	\$14,810,058	\$50,000,000
24	69	\$0	\$22,804,679	\$22,804,679	\$50,000,000	\$668,386	\$15,667,481	\$15,667,481	\$50,000,000
25	70	\$0	\$23,483,409	\$23,483,409	\$50,000,000	\$668,386	\$16,533,065	\$16,533,065	\$50,000,000
		\$13,956,110				\$16,709,650			
26	71	\$0	\$24,166,451	\$24,166,451	\$50,000,000	\$668,386	\$17,405,177	\$17,405,177	\$50,000,000
27	72	\$0	\$24,853,147	\$24,853,147	\$50,000,000	\$668,386	\$18,283,132	\$18,283,132	\$50,000,000
28	73	\$0	\$25,542,814	\$25,542,814	\$50,000,000	\$668,386	\$19,166,240	\$19,166,240	\$50,000,000
29	74	\$0	\$26,234,517	\$26,234,517	\$50,000,000	\$668,386	\$20,053,523	\$20,053,523	\$50,000,000
30	75	\$0	\$26,926,622	\$26,926,622	\$50,000,000	\$668,386	\$20,943,165	\$20,943,165	\$50,000,000
		\$13,956,110				\$20,051,580			
35	80	\$0	\$30,306,607	\$30,306,607	\$50,000,000	\$668,386	\$25,330,605	\$25,330,605	\$50,000,000
40	85	\$0	\$33,269,675	\$33,269,675	\$50,000,000	\$668,386	\$29,325,389	\$29,325,389	\$50,000,000
45	90	\$0	\$34,226,217	\$34,226,217	\$50,000,000	\$668,386	\$31,216,769	\$31,216,769	\$50,000,000
50	95	\$0	\$29,101,744	\$29,101,744	\$50,000,000	\$668,386	\$27,053,512	\$27,053,512	\$50,000,000
55	100	\$0	\$1,853	\$1,853	\$50,000,000	\$668,386	\$947	\$947	\$50,000,000
		\$13,956,110				\$36,761,230			

This is not an offer to insure by an insurance carrier. The above illustration assumes a number of variables that will affect policy performance. The illustration is only intended to educate you as to how a universal life policy works. This, and any accompanying materials do not constitute, and should not be treated as, legal, investment, or tax advice regarding the use of any particular estate planning technique. International Planning Group does not assume responsibility for any individual's reliance on the written or oral information disseminated. Any planning should be verified independently by the reader's professional advisors before applying such strategies and techniques to a particular situation.

**SAMPLE OFFSHORE CARRIER
UNIVERSAL LIFE ILLUSTRATIONS
Male, Non-Smoker, Standard, Age 50
5.00% Current Crediting Rate, Current Charges**

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Policy Year	Age (EOY)	10 - Pay				Life - Pay			
		Premium Outlay (BOY)	Account Value (EOY)	Surrender Value (EOY)	Total Death Benefit (EOY)	Premium Outlay (BOY)	Account Value (EOY)	Surrender Value (EOY)	Total Death Benefit (EOY)
1	51	\$1,709,963	\$1,491,064	\$0	\$50,000,000	\$864,431	\$653,205	\$0	\$50,000,000
2	52	\$1,709,963	\$3,039,354	\$786,854	\$50,000,000	\$864,431	\$1,317,400	\$0	\$50,000,000
3	53	\$1,709,963	\$4,641,194	\$2,388,694	\$50,000,000	\$864,431	\$1,985,014	\$0	\$50,000,000
4	54	\$1,709,963	\$6,299,966	\$4,047,466	\$50,000,000	\$864,431	\$2,655,219	\$402,719	\$50,000,000
5	55	\$1,709,963	\$8,029,907	\$5,777,407	\$50,000,000	\$864,431	\$3,338,695	\$1,086,195	\$50,000,000
		\$8,549,815				\$4,322,155			
6	56	\$1,709,963	\$9,837,278	\$7,735,278	\$50,000,000	\$864,431	\$4,037,384	\$1,935,384	\$50,000,000
7	57	\$1,709,963	\$11,726,401	\$9,774,401	\$50,000,000	\$864,431	\$4,750,557	\$2,798,557	\$50,000,000
8	58	\$1,709,963	\$13,705,260	\$11,903,260	\$50,000,000	\$864,431	\$5,481,228	\$3,679,228	\$50,000,000
9	59	\$1,709,963	\$15,785,449	\$14,133,949	\$50,000,000	\$864,431	\$6,236,585	\$4,585,085	\$50,000,000
10	60	\$1,709,963	\$17,969,996	\$16,468,496	\$50,000,000	\$864,431	\$7,012,530	\$5,511,030	\$50,000,000
		\$17,099,630				\$8,644,310			
11	61	\$0	\$18,546,924	\$17,195,424	\$50,000,000	\$864,431	\$7,788,628	\$6,437,128	\$50,000,000
12	62	\$0	\$19,133,163	\$17,932,163	\$50,000,000	\$864,431	\$8,577,644	\$7,376,644	\$50,000,000
13	63	\$0	\$19,718,010	\$18,667,010	\$50,000,000	\$864,431	\$9,365,401	\$8,314,401	\$50,000,000
14	64	\$0	\$20,296,038	\$19,395,038	\$50,000,000	\$864,431	\$10,144,747	\$9,243,747	\$50,000,000
15	65	\$0	\$20,870,612	\$20,119,612	\$50,000,000	\$864,431	\$10,920,229	\$10,169,229	\$50,000,000
		\$17,099,630				\$12,966,465			
16	66	\$0	\$21,411,349	\$21,411,349	\$50,000,000	\$864,431	\$11,651,571	\$11,651,571	\$50,000,000
17	67	\$0	\$21,981,902	\$21,981,902	\$50,000,000	\$864,431	\$12,423,412	\$12,423,412	\$50,000,000
18	68	\$0	\$22,590,295	\$22,590,295	\$50,000,000	\$864,431	\$13,246,472	\$13,246,472	\$50,000,000
19	69	\$0	\$23,233,871	\$23,233,871	\$50,000,000	\$864,431	\$14,117,297	\$14,117,297	\$50,000,000
20	70	\$0	\$23,904,744	\$23,904,744	\$50,000,000	\$864,431	\$15,025,515	\$15,025,515	\$50,000,000
		\$17,099,630				\$17,288,620			
21	71	\$0	\$24,625,002	\$24,625,002	\$50,000,000	\$864,431	\$16,000,505	\$16,000,505	\$50,000,000
22	72	\$0	\$25,336,903	\$25,336,903	\$50,000,000	\$864,431	\$16,965,887	\$16,965,887	\$50,000,000
23	73	\$0	\$26,037,175	\$26,037,175	\$50,000,000	\$864,431	\$17,917,545	\$17,917,545	\$50,000,000
24	74	\$0	\$26,732,736	\$26,732,736	\$50,000,000	\$864,431	\$18,864,881	\$18,864,881	\$50,000,000
25	75	\$0	\$27,429,673	\$27,429,673	\$50,000,000	\$864,431	\$19,816,222	\$19,816,222	\$50,000,000
		\$17,099,630				\$21,610,775			
26	76	\$0	\$28,139,780	\$28,139,780	\$50,000,000	\$864,431	\$20,787,447	\$20,787,447	\$50,000,000
27	77	\$0	\$28,854,159	\$28,854,159	\$50,000,000	\$864,431	\$21,767,172	\$21,767,172	\$50,000,000
28	78	\$0	\$29,574,160	\$29,574,160	\$50,000,000	\$864,431	\$22,757,613	\$22,757,613	\$50,000,000
29	79	\$0	\$30,286,801	\$30,286,801	\$50,000,000	\$864,431	\$23,742,238	\$23,742,238	\$50,000,000
30	80	\$0	\$30,978,733	\$30,978,733	\$50,000,000	\$864,431	\$24,704,244	\$24,704,244	\$50,000,000
		\$17,099,630				\$25,932,930			
35	85	\$0	\$33,862,496	\$33,862,496	\$50,000,000	\$864,431	\$28,872,445	\$28,872,445	\$50,000,000
40	90	\$0	\$34,846,045	\$34,846,045	\$50,000,000	\$864,431	\$31,025,067	\$31,025,067	\$50,000,000
45	95	\$0	\$29,869,536	\$29,869,536	\$50,000,000	\$864,431	\$27,255,788	\$27,255,788	\$50,000,000
50	100	\$0	\$1,965	\$1,965	\$50,000,000	\$864,431	\$2,004	\$2,004	\$50,000,000
		\$17,099,630				\$43,221,550			

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Case Study #2: Business Succession Planning (Sole Shareholder)

Background

- Mr. X, age 55, is a married resident of Moscow. He and wife have 3 children; a son and two daughters.
- Mr. X is the sole shareholder of the region's largest Mercedes and BMW dealerships.
- Together, the dealerships are currently valued at USD 40,000,000.
- His son leads the company's marketing group.
- Mr. X's net worth exceeds USD 60,000,000; the majority asset of which is the company.
- It is Mr. X's intention to have his son inherit the dealerships upon his death.

Needs & Objectives

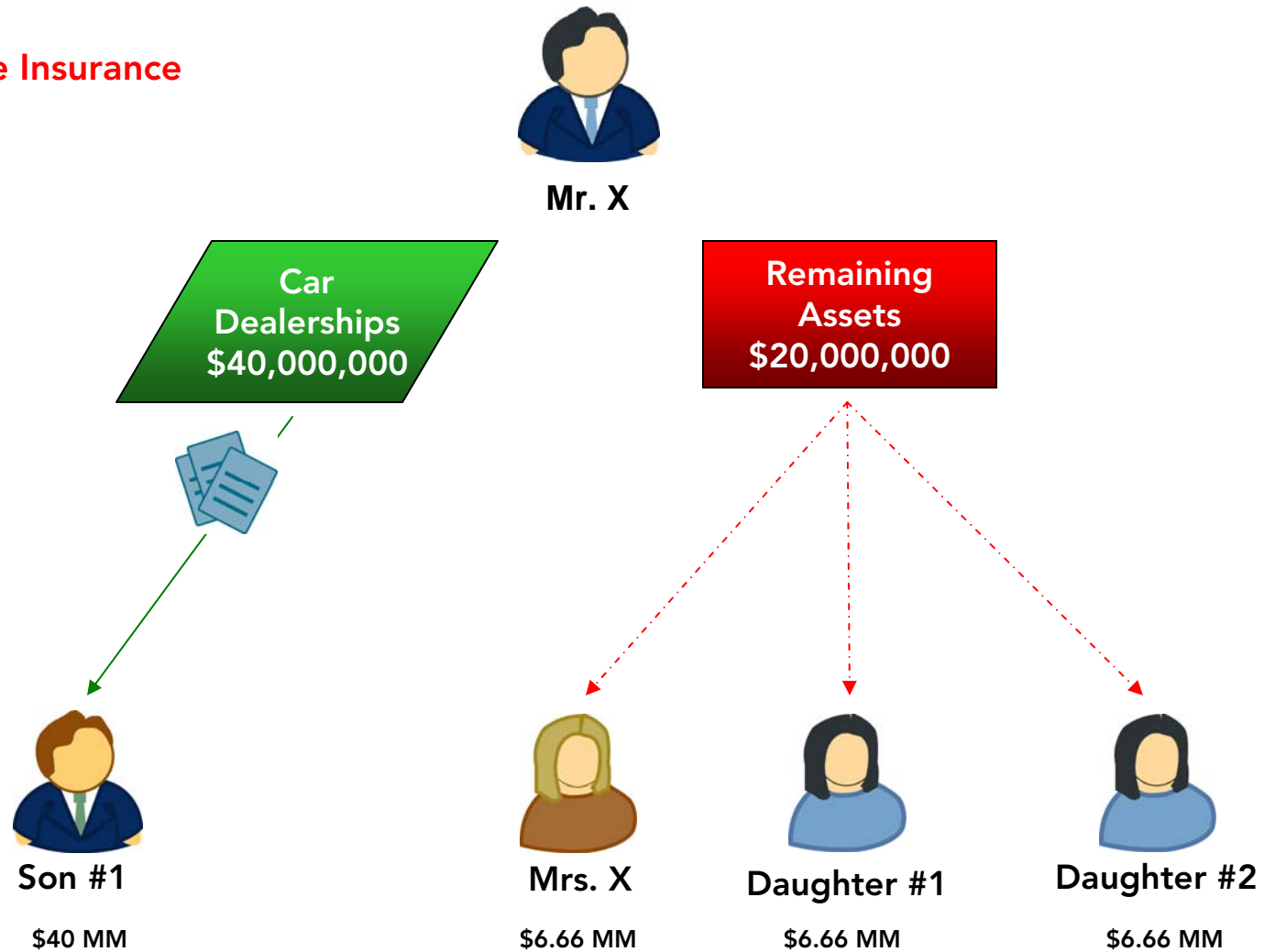
- Develop a strategy to pass the dealerships to his son while providing a meaningful inheritance to his wife and daughters.
- Create an appreciated asset (available to leverage or access during Mr. X's lifetime) that offers a "cost recovery" feature.

Life Insurance Solution

- Individual Universal Life Insurance policy with a face amount of USD 40,000,000 issued in a favorable offshore jurisdiction.
- Single premium design, which results in full cost recovery in the 6th year.

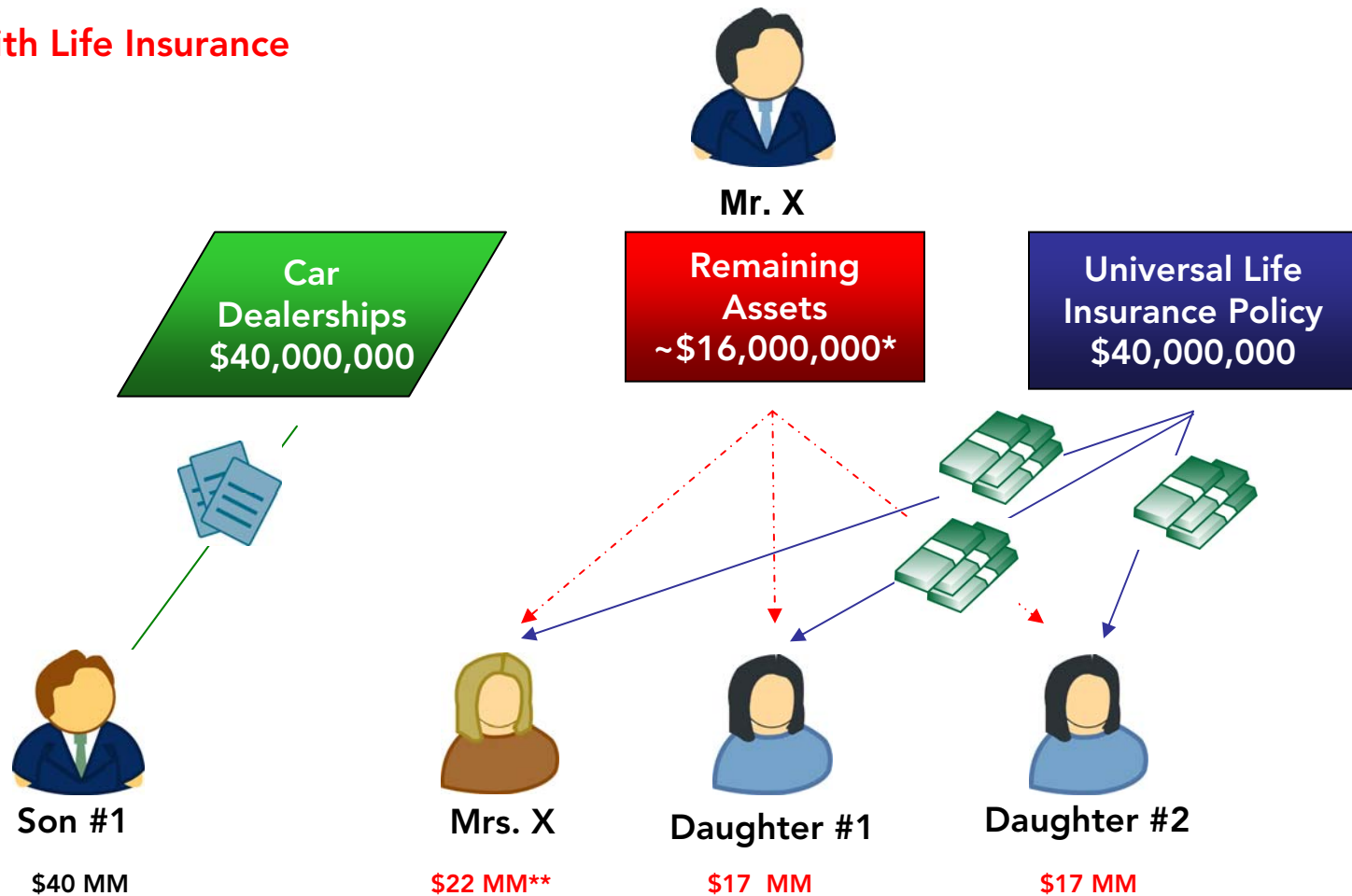
Case Study #2: Business Succession Planning (Sole Shareholder)

Without Life Insurance



Case Study #2: Business Succession Planning (Sole Shareholder)

With Life Insurance



*Assumes Mr. X lives for 10 years and earns approximately 10% on his investments per annum.

** Mrs. X estate goes to the daughters only as part of the families continued inheritance equalization plan

**SAMPLE OFFSHORE CARRIER
UNIVERSAL LIFE ILLUSTRATIONS
Male, Non-Smoker, Standard, Age 55
5.00% Current Crediting Rate, Current Charges**

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Policy Year	Age (EOY)	Premium Outlay (BOY)	Account Value (EOY)	Surrender Value (EOY)	Total Death Benefit (EOY)
1	56	\$13,950,528	\$13,586,497	\$11,170,097	\$40,000,000
2	57	\$0	\$14,059,937	\$11,643,537	\$40,000,000
3	58	\$0	\$14,536,654	\$12,120,254	\$40,000,000
4	59	\$0	\$15,014,898	\$12,598,498	\$40,000,000
5	60	\$0	\$15,496,287	\$13,079,887	\$40,000,000
		\$13,950,528			
6	61	\$0	\$15,984,009	\$13,728,809	\$40,000,000
7	62	\$0	\$16,476,709	\$14,382,709	\$40,000,000
8	63	\$0	\$16,976,001	\$15,043,201	\$40,000,000
9	64	\$0	\$17,482,202	\$15,710,202	\$40,000,000
10	65	\$0	\$17,991,172	\$16,380,372	\$40,000,000
		\$13,950,528			
11	66	\$0	\$18,486,591	\$17,036,991	\$40,000,000
12	67	\$0	\$18,990,731	\$17,701,931	\$40,000,000
13	68	\$0	\$19,500,086	\$18,372,486	\$40,000,000
14	69	\$0	\$20,014,863	\$19,048,463	\$40,000,000
15	70	\$0	\$20,534,826	\$19,729,226	\$40,000,000
		\$13,950,528			
16	71	\$0	\$21,022,442	\$21,022,442	\$40,000,000
17	72	\$0	\$21,503,433	\$21,503,433	\$40,000,000
18	73	\$0	\$21,993,578	\$21,993,578	\$40,000,000
19	74	\$0	\$22,501,522	\$22,501,522	\$40,000,000
20	75	\$0	\$23,030,465	\$23,030,465	\$40,000,000
		\$13,950,528			
21	76	\$0	\$23,631,923	\$23,631,923	\$40,000,000
22	77	\$0	\$24,237,035	\$24,237,035	\$40,000,000
23	78	\$0	\$24,844,907	\$24,844,907	\$40,000,000
24	79	\$0	\$25,455,006	\$25,455,006	\$40,000,000
25	80	\$0	\$26,067,369	\$26,067,369	\$40,000,000
		\$13,950,528			

**SAMPLE OFFSHORE CARRIER
UNIVERSAL LIFE ILLUSTRATIONS
Male, Non-Smoker, Standard, Age 55
5.00% Current Crediting Rate, Current Charges**

This illustrations are presented for educational purposes only and contain certain assumptions that are not guaranteed. This is not an offer to sell insurance.

Policy Year	Age (EOY)	Premium Outlay (BOY)	Account Value (EOY)	Surrender Value (EOY)	Total Death Benefit (EOY)
26	81	\$0	\$26,682,517	\$26,682,517	\$40,000,000
27	82	\$0	\$27,301,951	\$27,301,951	\$40,000,000
28	83	\$0	\$27,928,235	\$27,928,235	\$40,000,000
29	84	\$0	\$28,550,594	\$28,550,594	\$40,000,000
30	85	\$0	\$29,158,485	\$29,158,485	\$40,000,000
		\$13,950,528			
31	86	\$0	\$29,748,742	\$29,748,742	\$40,000,000
32	87	\$0	\$30,318,284	\$30,318,284	\$40,000,000
33	88	\$0	\$30,865,195	\$30,865,195	\$40,000,000
34	89	\$0	\$31,389,369	\$31,389,369	\$40,000,000
35	90	\$0	\$31,892,244	\$31,892,244	\$40,000,000
		\$13,950,528			
36	91	\$0	\$32,376,912	\$32,376,912	\$40,000,000
37	92	\$0	\$32,870,551	\$32,870,551	\$40,000,000
38	93	\$0	\$33,383,850	\$33,383,850	\$40,000,000
39	94	\$0	\$33,930,387	\$33,930,387	\$40,000,000
40	95	\$0	\$34,529,202	\$34,529,202	\$40,000,000
		\$13,950,528			
41	96	\$0	\$35,208,293	\$35,208,293	\$40,000,000
42	97	\$0	\$36,018,327	\$36,018,327	\$40,000,000
43	98	\$0	\$37,019,208	\$37,019,208	\$40,000,000
44	99	\$0	\$38,300,826	\$38,300,826	\$40,000,000
45	100	\$0	\$40,000,126	\$40,000,126	\$40,000,126
		\$13,950,528			

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Case Study #3: Asset Protection/ Sovereign Risk

Background

- Mr. X, age 50, is a married resident and citizen of Moscow.
- He and his wife have 2 children.
- Mr. X is the founder and CEO of a waste management company with operations in Moscow and St. Petersburg.
- Mr. X's net worth is approximately USD 75,000,000, including:
 - Cash & Securities: \$20 MM
 - Russian Real Estate: \$15 MM
 - Shares of Family Co: \$40MM
- Virtually all of Mr. X's net worth is correlated to the Russian economy.
- Mr. X has earmarked USD 10,000,000 of his assets as a "nest egg"/rainy day fund.

Needs & Objectives

- Mr. X is concerned about preserving his wealth for a number of reasons, including (i) the business' potential loss of government contracts, (ii) the continuation of the depressed real estate market and (iii) exposure to and impact of a future economic crisis locally.
- Establish a non-Russia correlated asset/pool of liquidity in a favorable offshore jurisdiction that will guarantee the family's future financial stability.

Case Study #3: Asset Protection/ Sovereign Risk

Life Insurance Solution

- Universal Life Insurance policy with a face amount of USD 25,000,000 and guaranteed death benefit feature issued by a Bermuda based life insurance company.

- Enhanced diversification strategy
 - The life insurance policy is issued from highly rated life insurance company with interest rate and cost of insurance guarantees
 - The acquisition of this product automatically Increases the value of Mr. X's estate by approximately 30%.
 - The life insurance policy in addition to its performance guarantees is an asset that is not correlated to the Russian market or it potential volatility.

- In addition to the death benefit the product provides, there is a living benefit in the form of cash value which the client has access to in the form of loans, withdrawals or total surrender of the policy.

SAMPLE OFFSHORE CARRIER
GUARANTEED UNIVERSAL LIFE ILLUSTRATIONS
Male, Non-Smoker, Standard, Age 50
5.00% Current Crediting Rate, Current Charges

This illustrations are presented for educational purposes only and contain certain assumptions that are not guaranteed. This is not an offer to sell insurance.

Policy Year	Age (EOY)	Premium Outlay (BOY)	Account Value (EOY)	Surrender Value (EOY)	Total Death Benefit (EOY)
1	51	\$1,041,363	\$885,851	\$0	\$25,000,000
2	52	\$1,041,363	\$1,809,742	\$683,492	\$25,000,000
3	53	\$1,041,363	\$2,770,656	\$1,644,406	\$25,000,000
4	54	\$1,041,363	\$3,771,168	\$2,644,918	\$25,000,000
5	55	\$1,041,363	\$4,819,188	\$3,692,938	\$25,000,000
		\$5,206,815			
6	56	\$1,041,363	\$5,918,794	\$4,867,794	\$25,000,000
7	57	\$1,041,363	\$7,073,244	\$6,097,244	\$25,000,000
8	58	\$1,041,363	\$8,287,639	\$7,386,639	\$25,000,000
9	59	\$1,041,363	\$9,568,810	\$8,743,060	\$25,000,000
10	60	\$1,041,363	\$10,919,813	\$10,169,063	\$25,000,000
		\$10,413,630			
11	61	\$0	\$11,299,623	\$10,623,873	\$25,000,000
12	62	\$0	\$11,692,035	\$11,091,535	\$25,000,000
13	63	\$0	\$12,093,245	\$11,567,745	\$25,000,000
14	64	\$0	\$12,501,935	\$12,051,435	\$25,000,000
15	65	\$0	\$12,920,676	\$12,545,176	\$25,000,000
		\$10,413,630			
16	66	\$0	\$13,338,242	\$13,338,242	\$25,000,000
17	67	\$0	\$13,782,206	\$13,782,206	\$25,000,000
18	68	\$0	\$14,256,905	\$14,256,905	\$25,000,000
19	69	\$0	\$14,762,485	\$14,762,485	\$25,000,000
20	70	\$0	\$15,297,366	\$15,297,366	\$25,000,000
		\$10,413,630			
21	71	\$0	\$15,871,393	\$15,871,393	\$25,000,000
22	72	\$0	\$16,465,698	\$16,465,698	\$25,000,000
23	73	\$0	\$17,082,524	\$17,082,524	\$25,000,000
24	74	\$0	\$17,728,118	\$17,728,118	\$25,000,000
25	75	\$0	\$18,408,801	\$18,408,801	\$25,000,000
		\$10,413,630			

SAMPLE OFFSHORE CARRIER
GUARANTEED UNIVERSAL LIFE ILLUSTRATIONS
Male, Non-Smoker, Standard, Age 50
5.00% Current Crediting Rate, Current Charges

This illustrations are presented for educational purposes only and contain certain assumptions that are not guaranteed. This is not an offer to sell insurance.

Policy Year	Age (EOY)	Premium Outlay (BOY)	Account Value (EOY)	Surrender Value (EOY)	Total Death Benefit (EOY)
26	76	\$0	\$19,132,907	\$19,132,907	\$25,000,000
27	77	\$0	\$19,903,576	\$19,903,576	\$25,000,000
28	78	\$0	\$20,728,068	\$20,728,068	\$25,000,000
29	79	\$0	\$21,612,193	\$21,612,193	\$25,000,000
30	80	\$0	\$22,564,984	\$22,564,984	\$25,000,000
		\$10,413,630			
31	81	\$0	\$23,600,687	\$23,600,687	\$25,000,000
32	82	\$0	\$24,713,207	\$24,713,207	\$25,948,868
33	83	\$0	\$25,871,050	\$25,871,050	\$27,164,603
34	84	\$0	\$27,074,513	\$27,074,513	\$28,428,238
35	85	\$0	\$28,324,139	\$28,324,139	\$29,740,346
		\$10,413,630			
36	86	\$0	\$29,619,839	\$29,619,839	\$31,100,831
37	87	\$0	\$30,962,203	\$30,962,203	\$32,510,313
38	88	\$0	\$32,350,626	\$32,350,626	\$33,968,157
39	89	\$0	\$33,783,104	\$33,783,104	\$35,472,259
40	90	\$0	\$35,257,470	\$35,257,470	\$37,020,343
		\$10,413,630			
41	91	\$0	\$36,772,239	\$36,772,239	\$38,610,851
42	92	\$0	\$38,386,781	\$38,386,781	\$39,922,252
43	93	\$0	\$40,116,711	\$40,116,711	\$41,320,213
44	94	\$0	\$41,980,275	\$41,980,275	\$42,819,881
45	95	\$0	\$43,999,118	\$43,999,118	\$44,439,110
		\$10,413,630			
46	96	\$0	\$46,199,074	\$46,199,074	\$46,199,074
47	97	\$0	\$48,509,028	\$48,509,028	\$48,509,028
48	98	\$0	\$50,934,480	\$50,934,480	\$50,934,480
49	99	\$0	\$53,481,203	\$53,481,203	\$53,481,203
50	100	\$0	\$56,155,264	\$56,155,264	\$56,155,264
		\$10,413,630			

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