[00:00:00] Riccardo Gambineri: Traditional example, you have seen cases, independent from policies, if you have a foreign company or trust owning a residence in New York or in Miami, if you want to get hold on the assets, if it's in the U.S. you can get hold of it, and you can locally decide that you disregard the foreign ownership, right?

So that's always a question. How many airbags, belts, you know, when I have on a solution, how secure that should be. And some want to go really far, just to have that really solid.

[00:00:44] Rodrigo Gordillo: Hello everybody and welcome to another episode of the ReSolve Riffs Investment Podcast. Today I have a very special episode, something we haven't really done outside of investing or global macro which we are known for. In this podcast today we're going to talk about some of the interesting solutions that are available to single, multi-family offices, both in the U.S. and offshore. And for that, we are joined with Riccardo Gambineri, President at Crown Global Life Insurance Group, and Frank Seneco, President at Seneco Global Advisors. Gentlemen, thank you for joining us, and welcome.

[00:01:22] Riccardo Gambineri: Thank you.

[00:01:24] Frank Seneco: Good. Thank you.

[00:01:26] Riccardo Gambineri: Thank you.

Backgrounder

[00:01:29] Rodrigo Gordillo: Why don't we start with a little bit of your backgrounds. We'll start with you, Riccardo? Tell us a little bit about what your professional experience has been and how you ended up at Crown Global.

[00:01:42] Riccardo Gambineri: Yeah, thank you. So initially started my career in the financial industry in banking, investment banking, private banking, and later moved to business, even though it's really this kind of private placement life insurance business, which is private banking for insurance, developing tailored solutions.

Myself, I'm a business management and legal background. Also tax and estate practitioner, and private wealth advisor. So very experienced at working at Crown Global, responsible for marketing,

product development, and especially focused on our high net worth, ultra net worth client segment and family offices.

Just to be clear, we are the insurance company, so we don't manage assets, we don't provide tax, legal advice. We structure U.S./U.K. compliant life insurance, and a few other markets too. But most of the business is U.S. and U.K..

[00:02:47] Rodrigo Gordillo: Got it. Okay, Frank, so tell us a little bit about your background.

[00:02:50] **Frank Seneco:** Thank you. I'm Frank Seneco, president of Seneco Global Advisors in New Haven, Connecticut. I've been in the financial services/life insurance industry for 35 years. For the last 30 years, Seneco Global has been an independent firm. We service high net worth, ultra-high net worth families here in the U.S. and internationally on structuring sophisticated life insurance transactions for income, gift and estate tax minimization. Primarily the focus is on private placement life insurance. We do a lot of our work with Crown Global. They've been a great partner to work with.

[00:03:29] Rodrigo Gordillo: Great. Okay. So yeah, I've been wanting to have this episode actually for the better part of 10 years. We've been circling the drain on this area of solutions for ultra-high net worth and high net worth individuals, and I've always found it fascinating, but a bit complicated and it seems to be that you, there are multiple solutions now, both for U.S., Canada, U.K., and many other jurisdictions for tax planning using these products. So to start with, just getting a broad understanding and a clear definition of what private placement life insurance is, private placement variable annuities, U.K. Bonds, and what their similarities and differences are. Who wants to take that one?

[00:04:15] Riccardo Gambineri: Sure, let me start maybe, private placement life insurance is a term that's used around the globe, but has different regulatory meaning, depending on where you are initially coming from. The United States, private placement really is an SEC term for securities. Private placements means, and basically driven by the underlying investments. The PPLI tax rules in the U.S. and many other places are the same for traditional life insurance, with an investment component. But the PPLI aspect is really like on funds business, it's a private placement. So you come with private placement memorandum. You can't offer it publicly. It's not widely marketed, not officially, yeah, no public offering. That's really the private placement aspect.

Outside U.S., in many markets the term PPLI is more used, I would say casually more than marketing word, explaining that there's a bit more tailoring provided, that clients get tailored investment strategy, investment strategies, instead of the predetermined investment options that most of insurance companies offer to their clients, but not necessarily a private placement. So many markets outside U.S. private placement policy is really Bonding investments that are mass-market retail, also suitable for mass-market retail investors. That's really the big difference on the PPLI definitions, just to have a clear definition on the wording.

What it means in short is really, it's a life insurance that provides, ensures the mortality, the premature death of a life, and it's combined with an investment component. That's really the very short of it. Frank, you want to add something to that?

[00:06:17] Frank Seneco: Exactly. As you mentioned, it's a life insurance contract, whether we're using it in the United States or abroad, and it has to meet the rules of home jurisdiction that the client lives. Utilizing a life insurance policy for the tax benefits afforded to life insurance in the U.S., you have to be an accredited investor and a qualified purchaser to access the product. Other jurisdictions as a professional investor, but it's really that they are using it as life insurance with an investment focus.

[00:06:51] Rodrigo Gordillo: Okay, so in, so I'm living here in Grand Cayman, so I see a lot of different jurisdictions. Like, you see Canada, U.K., all types of Commonwealth nations, U.S. as well. And in Canada this would be, this is very similar to a *whole life policy*, I would imagine and the whole life policy in Canada is, it's attached to an investment product that the insurance company itself manages. I find that in the private place, in life insurance area, in the U.K., Bonds, a bit more flexibility as to what you can do with your money once you buy that life insurance. So whatever that premium is. So maybe we can start with understanding - I have some money that I want to set aside for insurance purposes, but I want to have a bit more flexibility on the investment side. How, what are my options here?

[00:07:40] Riccardo Gambineri: Yes, and Canada's a good option, a good example. Each country has different rules what you're allowed to do with a policy, how much life insurance component you need in addition to the investment account. For example, if you put a hundred dollars in as an investment, as premium, in some countries the insurer may be required, just for tax purposes, to pay the next day upon this $101. Another country may be in the U.S. $150, $200, $250, from day one, so these rules vary a lot.

They also, depending on the country, they may have differences, what kind of investments can be put, or be invested in under the policy. Generally, you can't put existing assets in these insurance policies. Canada has very specific rules, where the government sets the rules in a way that there are interest rates, crediting rates published each year, how much money you are allowed basically to earn in the policy, and how much risk you need on top of it. So we were never able really to develop and provide a product, despite many requests, for Canadian taxpayers because the rules are so specific and seem to be limiting, really, the amount of cash, more limiting than in other countries, the amount of cash you can put in and how much return you're allowed to achieve in those products. But in essence is always a combination of an investment component and the risk.

The U.K. is very simple. You can put in nearly, there's no real limit set how much premium we can put in. If you have enough money, you can start with a hundred thousand dollars, or British pounds, or you can put in a hundred million, you just need to have 1% additional payout upon death. In the U.S. practically speaking, most products limit depending on the age, because the U.S. rules, again, very different. The amount of risk determined U.S. depends really on the amount of premium you put in, total, the number of years you use to pay that in, and the age of the insured life and the investment return. So that depends on the age, that maybe the maximum premium is somewhere between five and 40 million.

As older you are, is more you can put in, because it's also saving and retirement, logic behind, from a social security thinking, policy view, and as you're younger, you're not allowed to do, to put as much in. U.K. doesn't have these limitations, for example.

[00:10:37] Rodrigo Gordillo: Okay, so let's focus on that U.S. side for a second because I want to make sure I understand what you mean by that. Who are the people, let's start with who are the American individuals, and the reason why they would consider private placement life insurance in the first place. And then let's expand on what is doable if you have unlimited funds to put into it, if you, and what the limitations of the use of the private placement life insurances are?

[00:11:04] Frank Seneco: Sure. Let, me start on that, and Riccardo, please jump in. Really, as I mentioned previously, in the United States, you've got to be an accredited investor and a qualified purchaser to even access into private placement. But as the individuals are high net worth, ultra-high net worth individuals or families, family offices where they're really looking to deploy what I call *shelf money*. It's money that's already been set aside in a multi-generational trust, as an example, for grandkids, great-grandchildren. So they're going to let this money sit for a long time.

But the type of deposits going into these are 10, 25, 50, a hundred million dollars going into these, depending upon the policy structure that we'll put together.

Under U.S. laws, we have to have a policy that complies for U.S. purposes. So depending upon if they're doing a policy domestically, onshore U.S., or if we did an international policy, there are different structures that we can put together to accommodate those premium contributions.

[00:12:07] Rodrigo Gordillo: Okay, so let's talk about the difference between the onshore and the offshore options.

[00:12:12] Frank Seneco: Sure. Riccardo, if I may still, as I said, jump in, but really in the United States, it's very straightforward in my view. You have either, we call a *modified endowment contract*, being, it's a tax rule where we're going to have either a modified endowment contract, which is going to give you tax deferral on assets. If you put them into the policy, you're going to get a tax free death benefit.

If you make it a *non-modified endowment contract*, we get a tax deferral. We can borrow funds out without incurring taxation during the insured lifetime, and you'll still get a tax free death benefit. That's really the two structures you have in the United States, for compliance purposes.

If we're doing a policy for a U.S. citizen internationally, in another jurisdiction, as an example, Bermuda, we can do a *MEC*. We can do a *non-MEC* contract. And Riccardo, if you'd like to jump in here, we have other policy structures that can be designed also.

[00:13:08] Riccardo Gambineri: Yeah, I think Crown Global, we have life insurance companies in the U.S. and outside the U.S., in Bermuda and Cayman, and we are often asked what is the difference? Why would a U.S. person for example, taking a policy issued out of Bermuda or one out of Delaware, for example? And then the other example would be if it's a U.S. person living in United Kingdom, for example, U.S. citizen?

So the difference, in the U.S., every state is regulating the insurance contracts, insurance commissioners state by state. So even though you have a nationwide, harmonized tax law, each state has slightly different rules on the contract level. So what you have to write in the contract, what you disclose, the insurance contracts have to be submitted, filed, reviewed, and approved. So once they're done, we cannot, for example, on a case-specific, client-specific situation, amend a

contract language because the client or the client's attorney would like to have some extra features in the contract. So, really very standardized, but different state by state.

Also, the states have different, obviously as known different income tax rules, different state premium tax, depending on the product, whether it's life or non-life. And the investment advisors managing the investment portfolio for example, also need to be licensed in the state. So if I want to have an asset manager, even a non-U.S. foreign asset manager would need to have an SEC license, would need to be registered, for example, in Delaware. And we would need to get an approval of the asset manager, and file the investment strategy with the insurance commissioner.

So it's a very restrictive model, even though the investment strategies we can offer are very broad, but it's a very, complicated process involving authorities. Now, if I go to Bermuda, and issue a U.S. compliant product from there. So the tax rules are the same. The policy holder, what the policy holder is allowed to do is the same.

So just by going offshore, you can't do crazy stuff. The U.S. rules still apply. If you're a U.S. taxpayer and want to have a U.S. compliant contract, these things apply, but we have much more discretion there as an insurance company. If we onboard an asset manager and the U.S. client, for example, says, I would like to use an asset manager in Canada, or an asset manager in the U.K. or in Switzerland, we can onboard this manager.

Of course we do the due diligence and everything to ensure this is a proper company. We can design the investment strategy for the policy. And there is no U.S. authority involved, whether or not we allow, onboard this manager. So I couldn't even use a foreign manager if it's not an SEC, as explained, SEC licensed registered manager in the U.S. for a U.S. domain.

[00:16:21] Rodrigo Gordillo: They have to have a license no matter what, but…

[00:16:24] Riccardo Gambineri: Correct.

[00:16:26] Rodrigo Gordillo: No registration required on the state level?

[00:16:29] Riccardo Gambineri: Correct. and if the, if you have, for example, a strategy where you want to have a policy for enhanced asset protection, or investment diversification that you would like to have, non-U.S. securities, other markets that are difficult to access via a domestic

broker/dealer platform in the U.S., you will probably use a custodian, and manager outside U.S. that has a different investment universe, because U.S. side is very much limited to the U.S. side of things.

So these are the main reasons and differences between the offshore and the onshore. Also another important example, like the U.S. person living in the United Kingdom. The tax rules for life insurance in the U.K. and U.S. differ a lot. For example, as I mentioned before, you don't need enough risk, but if a U.S. person in the U.K. would buy a normal U.K. offshore Bond, it would provide him tax deferred in the U.K., but under his U.S. tax filing, it would be treated like a foreign investment fund, taxed on a yearly basis. So, no benefit.

So this person needs then a policy that's designed to comply in both worlds under the U.S. rules, plus some additional language in the contract to include the U.K. terminology and the U.K. rules, because at the end you have also distribution rules, disclosure rules, what you need to put in the contract for a U.K. resident. In Bermuda, we can do hybrid contracts, basically contracted mergers, integrates two different jurisdictions. In the U.S. you can't do that. So the insurance commissioner will only approve U.S. domestic contracts. They don't know anything else. It's not foreseen. So there are a lot of reasons why you would to want to go offshore, for certain use cases.

[00:18:29] Rodrigo Gordillo: So, can I just, if I'm an American citizen living in the United States, what would be the reasons that I would choose a domestic product over an international product? Because right now it feels to me like there's plenty of more advantages in Bermuda. But are there clear cut reasons why I would choose, as an American citizen, just say domestically, rather than offshore?

[00:18:54] Frank Seneco: Initially, it may be, it's a little simplicity, if we have a, they would just want to work with a U.S. based manager. They have their estate planning already set up, structured in the U.S.. It's a, they've already set up multi-generational trust in South Dakota or Delaware, and they just know they want to use a U.S. based manager. They're, it's very straightforward. As Riccardo mentioned, you alluded to it, there's a lot more options in going internationally, accessing different managers, international investment options. But for us it's very straightforward, if they just want to stay more plain vanilla. Riccardo, do you have anything to…

[00:19:35] Riccardo Gambineri: That's exactly true. So if the client is just happy with everything that's being offered domestically, there is no need to go offshore. The offshore policies obviously also require additional tax reporting. There's no tax due as long as no money is coming out of the policy, like on the U.S. side.

So the product rules are the same, but there's additional filings to be done. There's a FinCEN form, a *foreign asset report* the client has to file. So if the client typically doesn't have any cross-border activities, they may not feel comfortable having offshore exposure. On the other hand, if you want to do, take, the reasons why somebody goes offshore, is really enhanced asset protection, creditor protection.

Bermuda provides statutory creditor protection. So the beneficiaries, creditors can't access really, policy assets. There's no limit, like the U.S., depending on the state, some states have different kind of creditor protection limits. Some states have a few hundred thousand, but in Bermuda, policy there is no limit. So as long, obviously the policy wasn't issued, and set up in a fraudulent criminal context, then as long as the beneficiaries of the policy are family members, the spouse, the children, no judge in Bermuda will grant access to the money, to creditors. That's one thing. If you have a job, a profession like an attorney, plastic surgeon, physician that is fearing litigation, U.S. is a super litigious environment, you may want to put some of your assets offshore, just to ensure that you have a safe nest egg that's very difficult to reach, and especially in the last years where the rise of litigation funds, that billions of dollars in funding every litigation.

They also operate with probabilities and business cases. Our statistics show that the typical litigator will always prefer domestic, targeted domestic structure, much easier to reach, and to convince a local judge, court, to do something than going to an offshore jurisdiction. You typically have to pledge money at the court before anything happens. It can take years. So whenever you have proper planning reasons, these are aspects or you…

[00:22:24] Rodrigo Gordillo: Very interesting. I did not know that was an issue. And of course, you have ton of incentives for the litigation funds to try to maximize their profits and also minimize their risks, so very interesting point. Okay.

[00:22:39] Frank Seneco: And it's interesting. Just if I may, as Riccardo mentioned, it is very important to know that there are reporting requirements for U.S. individuals taking out a policy internationally. But that being said, with a legitimate reason for the planning, doing it properly, it's more than worth it. It's, what my point is, some people get a little nervous by that, but it's very straightforward. Many of these transactions, most of these transactions are done with very high-profile tax attorney CPAs, who more than incorporate that into the planning.

[00:23:13] Riccardo Gambineri: Correct. And also, as we spoke about the investment, asset diversification, asset protection, always one thing is the structuring and the difficulty to regional

litigation cases. The other thing is portfolio diversification, investment diversification. And we see, especially the wealthier families and family offices, obviously they all super heavy invested in the U.S., but prudent approaches that certain assets should also be outside the dollar, outside, non-U.S. investments, non-U.S. funds, these kind of things.

And in the context of asset protection, you even of course also not only want to have the offshore policy, maybe an offshore trust, but you also want to then have an offshore custodian asset manager. Otherwise, if you have the stuff offshore and all the money is sitting in an account in New York or somewhere, it's still only half-baked solution. But just from investment portfolio diversification, we have a lot of U.S. clients, very wealthy clients that use asset managers in Canada, or in the U.K., or in Switzerland, that manage parts of their worlds just completely non-correlated to the U.S. market, just to diversify. That's also one of the reasons, and again, that would be difficult to achieve from a domestic policy as mentioned before, because you, it's difficult to link in the foreign providers in the U.S. net, and some of them even don't want to be connected to the U.S. from those managers.

[00:24:51] Rodrigo Gordillo: So that's interesting. Even if the policy is offshore, if the custodians are in the U.S., that creates an easier path to freeze assets and things like that. Is that what you meant?

[00:25:01] Riccardo Gambineri: Yes, traditional example, you have seen cases independent from policies, if you have a foreign company or trust owning a residence in New York or in Miami, if you want to get hold on the assets, if it's in the U.S. you can get hold of it, and you can locally decide that you disregard the foreign ownership, right? So that's always a question. How many airbags, belts, you know, when I have on a solution, how secure that should be. And some want to go really far, just to have that really solid.

[00:25:37] Rodrigo Gordillo: So just to kind of finish the thought here on the U.S. policies, I want to understand the limits a bit more. So you said the older you are, the more you can contribute. The younger you are, the less aside from age, what are the limits and why do they exist?

[00:25:57] Riccardo Gambineri: There's, I mean there are a lot of technical rules setting these formulas. But the political reason, I mean at the end is always, it's policy, right? When the Congress sits together, and the last time they made a major revamp of these rules was in the eighties. It's already some time ago, they just said, okay, their limits, how much somebody should put in these products because there are so many tax benefits granted. So as I, they want to support that, from

the very low income family to the wealthy, that they're able to put money aside, protect the family with the additional insurance, protect against premature deaths.

That's why over time we are allowed in the U.S. to reduce the amount of risk more and more, to reduce the cost. But the thinking is you're building up a wealth and you want to protect or leave a legacy for the next generation. But as you, as we said, there's tax deferral. If it's paid up on this, all the gain is subject, is not subject to income tax.

So you have a step up and no tax. You can borrow from it. You can use a policy to collateralize it. So there's so many tax benefits. It would be obviously not good public policy to say you can put a billion in. That's not really fair to the rest of the population. So it's a very generous offer, but there have to be naturally, limits. That's, I think, and we see this in other countries too. Sorry, just to finish that. So in many countries have the one or the other form of limitation.

[00:27:45] Rodrigo Gordillo: Sorry to interrupt, but I did want to take a quick second to remind listeners that while we do absolutely love providing our audience with world class guests and weekly investment insights, we wanted to remind you that we actually do our best work outside of this podcast, and we try to do this by providing cutting edge, globally diversified and systematic investment strategies that are designed to be broadly non-correlated to traditional equity and Bond portfolios.

So we actually manage private and public funds as well as bespoke, separately managed accounts, for investors that seek the potential to smooth out portfolio returns in the long run. So if you do want to see that theory that we've been talking about put into practice, please do go ahead and check us out at www.investresolve.com. Now back to the podcast.

Start miniriff here

Okay. So just to recap, on the U.S. side is, obviously it's a public policy perspective that allows for the limitations, but what money you are able to put in, aside from the cost of insurance and the cost of management and all that, that we'll touch upon in a second, the flexibility of that policy, whatever you can put in, is one where it's, you can somewhat direct what investments, third party investment managers will manage that money for that insurance policy. And then you do have access to it in the way of being able to borrow against the policy. You're also able to use it as collateral for reasons, whether it's business or personal. So it provides that level of flexibility. But I guess when you borrow up against a policy, you are borrowing with a, some sort of cost to borrow, against a policy. Is that

right? It's not, it, there's an interest rate that you, that you would, and would you borrow with the insurance company directly or how does that, how does borrowing work for those contracts?

[00:29:37] Riccardo Gambineri: Frank?

[00:29:40] Yes, what you're doing is, the policy owner would go to the insurance company and they're going to borrow out 80, up to 90% of the cash value, if they chose, if they needed to access it. The insurance company is going to charge an interest rate for that. Don't forget, reason being is we've got a tax deferral during lifetime, so you've paid no taxes on the growth of the assets inside of the policy. But we need to legitimately borrow out the funds and charge an interest rate to keep that from incurring any taxation. Riccardo, what's the interest rate that, right now, that we're charging at Crown for a loan? What's the net?

I would have to look up at the U.S. context, the IRS Internal Revenue Service provides, publishes the applicable federal rates, depending on short, mid-term, or long-term financing. Those we have to use at the point of time when the borrowing happens. They're used for all kinds of things, whether there's an intra-family loan, or you borrow money from a fund.

So the IRS publishes rates that are just set to ensure that they are market arms-lengths, market standards. So we use those, and depending on the interest rate environment, and it's a requirement by the law. So for us, it doesn't really matter. Insurance company is not a bank, so we don't really, if you have a policy and you want to have a million dollars out of that, we don't take that out of our pockets.

What practically happens is that we liquidate assets in the investment account of your policy, to free up the $1 million, and then we hand that out. On those, we book these, this interest, apply the interest rate, we have to make a little margin on it. That's a real transaction. And the difference is credited back to the policy account as an accounting exercise. Sounds strange, but that's just the rule, how it works. And provided the policy runs unto death, that's a key thing in the U.S. tax planning. The outstanding loan is netted out with the death benefits. So it disappears basically with a death, but it needs to run until death, otherwise you have - if it would, let's say cash out the policy during lifetime, then the loan would be treated like a distribution obviously as, to large extent taxable, but typically nobody would do that. So you take only as much policy money out of a policy that the policy can run until death with the insured amount, and then it's netted out. So…

[00:32:35] Rodrigo Gordillo: So that's upon death. you pay the bills,

[00:32:38] Riccardo Gambineri: Yeah.

[00:32:39] Rodrigo Gordillo: And whatever's left, the family receives?

[00:32:41] Frank Seneco: Correct. But you're getting that income tax free. So right. If you've gotten the dollars out through the loan, you haven't paid any taxes, and then the loan is paid off upon death, with the balance of the death benefit that's left over, and that's going to be, come to the family tax free.

It's really, we have this come up all the time with clients, but why am I borrowing against my policy? This is the standard rules for U.S. life insurance. So it doesn't matter if it's a whole life policy issued by an old mutual insurance company, that's brand name. I just don't want to go into any names on this podcast, I mean to a private placement life insurance contract. But you've gotten this, where we've got this deferral during lifetime.

If the client, as Riccardo alluded to, if the client just wanted to take money out, they surrender their policy, they're going to pay ordinary income taxes over their basis in the contract. The loan is, under U.S. law, you're allowed to access those funds. So we access those funds during lifetime. My hurdle rate there really is the net loan interest, which is very small, that's going to be charged, and then upon death we get that back as an income tax free benefit anyway.

[00:33:46] Riccardo Gambineri: Yeah, and as you were asking, what can be taken out, so obviously the tax rules are quite clear. In the U.S. it's called *investor control doctrine*, and the U.K. is different. In most countries, you're required really to fund the policy with cash.

So you can't do what sometimes the move and the wonderland stories that are sometimes reading or misconceptions that are floating around. You can't put your existing investment portfolio in, or your closely held company shares or whatever, or wrap your private plane. That's not really, we could do this, then it's a defective contract. It may have other benefits, but no tax benefit. But if you want to have these tax benefits, cash in, the asset manager that is appointed has to manage discretionary.

So you can't call the asset manager. Yeah. and that's a key requirement. So a lot of requirements. That's why all this, you said at the beginning, sounds all very complicated. Yes, there are a lot of complicated rules that need to be followed to get in. So I said investor control. You cannot just decide yourself the investments.

But once this is set up and all the contracts are established, there's no complexities. Really easy. You reduce a lot of investment account and tax reporting for the policy holder. If you're in the U.S. and you invest in all kinds of investments, you deal with tons of K1s, you have a lot of ordinary income-producing things, and so this all disappearing. So you don't need to pay your accountant to make all this. We know clients that pay hundred thousands just for the investment accounting yearly.

[00:35:36] Rodrigo Gordillo: Yeah, I agree with that.

[00:35:39] Riccardo Gambineri: Yeah.

[00:35:40] Rodrigo Gordillo: The, in the U.S., once you have your money in, let's say the key thing that you mentioned that I just want to make sure is clear, is that you can't deposit cash in and then start trading stocks yourself, right? The idea is that you are handing fiduciary responsibility to the insurance company, but within, and the different insurance companies will offer different offerings, but within that insurance company, you can select a discretionary manager to manage those funds for you, or maybe a handful of discretionary managers. Is that right?

[00:36:13] Riccardo Gambineri: Yeah, we have about a hundred managers on the list you can select from. From whether you want to pick, all the big brands are on the list, and also some smaller ones. And so whether you want to pursue endowment-like investment strategies, private equity strategies, or just high frequency trading strategies, there are all kinds of strategies available, and you can elect from those, ensuring that you get the ex-risk asset and return exposure you like, and avoid overlap with your other existing strategies. Obviously that's important because the policyholder bears the investment risk. There's no guaranteed returns, and that's why you have at least, to that level, the control that you can guide where and how the money shall be invested, without going to the individual instrument level, because that's not…

[00:37:09] Rodrigo Gordillo: That's a key differentiation. You can't select the individual instruments and when and how to trade them, but what type of flexibility does one have to change the portfolio manager risk, the mix, I mean between - like, three managers that I chose within a platform. Next year I want to add two and take out one. Is that still within your power to do?

[00:37:36] Riccardo Gambineri: Correct. That's, obviously different companies have different rules, because it's mainly an operational efficiency and service level question. We at Crown Global allow you to do this every six months, so if you want to change all the managers on the platform or the custodian, you can do that without charge. And we're very flexible and open architecture. Other

companies may have much more limits or want to have a charge for that. But the key thing is, generally it's possible. And the other key thing is whenever you do these asset reallocations, manager changes, it all happens without incurring taxable events.

That's a key thing, especially in the last couple of years as we have seen the super high volatile markets where also now active management becomes also much more important. Not only interesting, again the 10-year phase where people just said, I only buy a few index, then I'm surfing on the growth wave. That's gone.

So we see this since a few years. And active managers, they have to typically one problem, assume the manager knows exactly what he's doing and why and how he's investing in certain instruments. He always is constrained by, okay, if I do this now, what is the tax hit for my client?

[00:39:02] Rodrigo Gordillo: Tax implication? Yeah.

[00:39:04] Riccardo Gambineri: And they invest a lot of time and effort and cost to make investment strategies tax efficient, but still they're very much limited on what they can do and how fast they can act proactively, or react on the market.

Depending in the policy, the asset manager can just manage because it doesn't need to care about the tax implications. There are no tax implications, whether you make 50 or a 100 buy and sell transactions. There may be execution cost, but there's no tax concern, right?

[00:39:36] Rodrigo Gordillo: Yeah. So this is a key benefit I've found from these policies is if you're buying the S&P 500 long-term in an ETF, you're already getting that tax deferral, so far, right? Things can change. But again, that tax deferral, there really wouldn't be a lot of benefit from a tax perspective to find insurance policy.

But it's when you get to active management, and I agree with you Riccardo, from your mouth to God's ears, that the next decade will be the decade of active management, as I am an active manager, that you do give yourself the flexibility to do what's right from an investment perspective, rather than having to weigh the tax consequences. And I do find that is a key benefit of the insurance policies. If you lean towards active management and active managers, it is a great solution.

[00:40:26] Riccardo Gambineri: Yeah, and reality is. A lot of the clients and family offices we serve, of course they all have, the overall portfolio is very diverse and you want to have liquid strategies.

Of course you want to be listed, equity markets exposure, but you also want to have non-correlated asset classes. You want to maybe participate in the credit market. Some great funds and managers. You have all these assets that, by definition, are not tax efficient. Some of these produce great 10, 12% return gross, and after tax is less than half. If you are living in New York or California, even more than half is gone.

So it's very difficult then from an overall perspective, portfolio, asset allocation perspective to create really a nice overall portfolio. And using all these asset classes, and that's another benefit of the PPLI, that you can really also go into these asset classes that would be otherwise very tax inefficient, even though they're very good for a stable portfolio and return to diversify.

[00:41:43] Rodrigo Gordillo: So, Frank, just out of curiosity here, when you're creating a policy and funding it for the first time, is an investor able to do a transfer-in-kind of assets to pay for that policy or is it a cash-only transaction?

[00:42:02] Frank Seneco: Typically it's going to be a cash-only transaction. In the U.S., domestic policies are cash-only contributions going into a policy. In some international jurisdictions, which Riccardo could speak to better than myself, some countries will allow that. Again, totally different rules, but U.S. domestic policies are cash contributions going in, and then we'll elect the investment manager to invest the assets.

[00:42:26] Riccardo Gambineri: Yeah, and…

[00:42:28] Rodrigo Gordillo: There's individuals that kind of put us together. Homer Smith, he deals with a lot of new entrepreneurs who just cashed up, and that's clearly a great time…

[00:42:41] Frank Seneco: Yes.

[00:42:42] Rodrigo Gordillo: … using these policies for financial planning. But I guess there isn't some sort of rollover where you can roll over without tax consequences that has embedded capital gains in there to…

[00:42:52] Frank Seneco: No.

[00:42:52] Riccardo Gambineri: No.

[00:42:53] Frank Seneco: Moving an asset-in-kind would, it's going to create taxation. Yes, it's a recognition event, because you're changing the ownership, really. You're not owning the asset any longer. You're transferring that to the insurance company.

[00:43:06] Rodrigo Gordillo: It…

[00:43:08] Frank Seneco: And as I said, in the U.S., it's cash-only contributions.

[00:43:11] Riccardo Gambineri: Yeah, really these two aspects, it's a recognition event because you don't own it anymore. The insurance company takes the ownership, and by that, you have to tax at fair market value and appreciate. The second reason why, again, as mentioned before, is against it is the investor control. You can't move in, contribute pre-selected investments because then you already made investment decisions, which is against this investor control route.

[00:43:40] Rodrigo Gordillo: Okay, so can I move on to the U.K. Bond? We have a lot of U.K. interest here in the Cayman Islands. And, tell us a little bit about the key differences between what we just discussed and the U.K. Bond and the onshore offshore versions of them.

[00:43:57] Riccardo Gambineri: Yeah, the onshore, offshore version. U.K. onshore Bonds are much more retail, mass market solutions. The offshore Bonds, provide typically more diverse offering of the investment options. But the rules are the same in U.K. to that extent that you have to fund with premium and cash. So can't contribute existing assets either. The rules are the same to that extent.

The difference is there's no MEC or non-MEC rules. So you can just fund with a single premium if you have the money at hand, or you can fund it over several years where it differs a lot. You can't use the U.K. Bond onshore, offshore, doesn't matter because, again, like in the U.S. context, whether the policy is issued from an onshore or offshore company, the tax rules as laid out by HRMC and common law in the U.K., they're the same.

So either you comply or not. You can't use that product to collateralize it. You can't take a policy loan. They always would be treated immediately, like from a tax point of view, like a distribution, like a taxable distribution. Also, the way you can access money is different. Again, there are no MEC, non-MEC rules.

So if you pay in money, it, all money paid in within a given year starts a 20 year cycle. Basically, you're allowed to take up to 5% of the premium you paid in per year tax free, and it's rolling forward.

So if you don't use any, don't redeem any money, let's say 10 years, then you could in year 11 take, 55% in one go out of the policy without triggering a tax event.

So basically it's access to your basis, your premium, obviously 20 years by 5% makes than a hundred. So after 20 years used, then you don't have any basis left, and whatever you take thereafter is really taxed as ordinary income rates, because then…

[00:46:15] Rodrigo Gordillo: I want to make sure, let just rewind, make sure that I understand what you just meant.

[00:46:19] Riccardo Gambineri: Yes,

[00:46:20] Rodrigo Gordillo: You have $10 million. You put it all in year one. There's no limit as to how much I can put in, as you mentioned earlier on the podcast, right? So I put $10 million in. By the end of that year, I'm allowed to take up to 5% of that $10 million if I wanted to, is that right? Now, let's say that $10 million turned into $15 million because of appreciation from the investments, Am I allowed to take 5% of the 15 or only 5% of the initial premium?

[00:46:49] Riccardo Gambineri: Of the initial premium.

[00:46:51] Rodrigo Gordillo: And then what you are taking out, would that be return of capital, basically? You're not touching, let, another thing that could happen is you have a $10 million investment, by the end of the year, it's worth 2 million, right? You lost 80%.

[00:47:10] Riccardo Gambineri: Yeah.

[00:47:10] Rodrigo Gordillo: Is there capital gains and losses available for you? Like how does that, how does it work for whether, when it comes to losses or gains and what you can take out on a…

[00:47:18] Riccardo Gambineri: That's a good question. All these advantages, these policies in U.S. or U.K. provide, and the rules to, in that context are the same too. The rules, how its taxable money comes out. If it's taxable, it's ordinary income. It's the same in the U.K., it's the U.S.. If you made losses, you can't net them. So that's a difference to a directly held portfolio. That doesn't exist, right? So that's a downside.

But if the assets are managed, and typically, they are managed well. We haven't seen cases like that really, that somebody is losing so much money. But yeah, you can't offset the losses. That's a very short answer, very easy. They're designed for long-term holding and eliminating ongoing taxation until money comes out. And in the U.K. you have this allowance that you can take out first, your premium basis and then thereafter, you can, if you take outboard, then you tax the income basically.

[00:48:32] Rodrigo Gordillo: So if you do, you are able to take more than your initial premium if you double your assets, and you've used and you've taken out all of your initial premium. You want, if you want to take out more, you're just going to be taxed as ordinary income.

[00:48:46] Riccardo Gambineri: Correct. So what we typically, and that's, I think it's important, and Frank spends a lot of time with clients on the advisory side, whether in the U.S. or U.K. contact context. Whenever you set up a product like this in a trust or personally held, key planning questions are always, how likely is that you need to or want to access the money?

Is it really for estate planning and only may be accessed when the overall plan changes, and maybe financial circumstances changed, or is there already a plan you foresee to live from that money on retirement, whatever. Then it's very important to analyze and see. Also, in line within, adjusted to the investment strategy to consider whether all the benefits are really, can be delivered.

For example, very simple example, if you're in the U.K., invest in certain funds and keep them very long, there's no taxation until distribution. The taxation will be the same rate if you would take out money from a policy. So if you would've, an investment strategy that is really simplifying, but if that would be the investment strategy, if, the Bond probably doesn't make sense. If you have investment strategy that creates a lot of income, dividends, interest, you have a lot of trading, recognition, that's a very much, very much a different question. Also, the duration. Because as you asked and answered, was you can't offset losses and you can't do any harvesting.

There's not, in each case, when you analyze and advise a client properly, there's not in any case, the answer that the PPLI policy or the Bond will be the best solution. Sometimes you have to say, you better don't take it because if you want to take it out in 10 years, you may have partially a tax rate conversion to the negative side. That's why we always say the investment strategies in policy should be as tax inefficient as possible, and long duration, and be on the winning side after year one and sometimes after five, six years, depends where the break-even point is. Depends on the strategy. That's part of good advisory, I think, to every now and then…

[00:51:23] Rodrigo Gordillo: So the big difference here I guess is between U.S. and the U.K. Bond is in the U.S., upon death, it is tax free. It, you're getting, you don't have to pay tax, whereas in the U.K. Bond, this is more of a tax deferral scheme. And at the end of the day, upon death, you're still paying any embedded taxes from the gains.

Is on standard products that, it's a case. There are product solutions where, but only suitable for estate planning, where you can achieve also a tax-free outcome upon deaths. And for example, what U.K., what you could do is you gift transfer the policy during lifetime because there's no gift tax.

[00:52:09] Riccardo Gambineri: You just need to survive seven years. and we can insure that risk, this inheritance tax tail. And with some additional structuring, you can transfer that to a friend, family member, to your children, you can still keep control, but having this done as a completed gift and then decided in a way that the payout at the end is tax free. So there are certain strategies, but that's the biggest difference if you don't do a lot of planning. Final taxation, no final taxation, income tax.

[00:52:47] Rodrigo Gordillo: Yeah, Frank, why don't you expand a little bit on that?

[00:52:51] And, it really comes, well, a couple of things. Just what you mentioned previously about clients taking funds out of policies, whether in the U.S. or the U.K., what we have seen, it's the larger families and the doing the larger deposits, it's is their, they want to know there's access if it was needed, but they're not usually entering into these transactions to, I want to put the money in, get my tax benefit and take the dollars out. I'd say from both jurisdictions, U.S., U.K., that's going to be more of the mass market policies and even in the private place, but life space, it's not the necessarily optimal planning to go into that on that side of it.

To expand a little further on what Riccardo was mentioning on the U.K. side, depending upon the planning, again, for the, going to say the size of the family that we're doing the planning for, we can go into a transaction where we can give them deferral during lifetime on a U.K. policy, but there is taxation if they take dollars out during lifetime and upon death. I, as an example, equate it to U.S. annuity, and where we get that deferral and tax upon death. We can also go into a separate strategy where we're going to have more limited access to funds during lifetime, but we can take advantage of that tax compounding and get a tax-free death benefit in the U.K., on the backside. So it depends on what structure's going to fit in best for the family's long-term goals.

[00:54:17] Riccardo Gambineri: Yeah. Sorry. Just give you another example. So what we do quite often. In the U.S. context, U.K. context in the policies that we have an investment amount, investment component, and a very large insurance risk on top of it. Even though you would just need for a tax purpose, if it would be a pure investment product, a 1% risk, people have to pay a lot of inheritance tax in the U.K. quite often, because the exemption amount is a few hundred thousand. Exempt amount is *nil rate* is the name, *nil rate band* is the name in the U.K.. It's just a few hundred thousand pounds. So if you take a few million investment account and put then 30, 40 million dollar, for example, risk on top of it to pay then inheritance tax when they have real estate, company interest, whatever, the pure risk portion is not subject to income tax.

[00:55:20] Rodrigo Gordillo: Right.

[00:55:20] Riccardo Gambineri: Only the cash value part. So rather than paying, for example, a yearly, renewable term policy that typically is not available as a whole life, very few can be converted then at very costly rates, you would pay those yearly premiums on your after-tax, from your after-tax money.

So there's a financial benefit in those models when you set up an investment account, provided somebody has a few million, have that well managed and then we pay this high death benefit on a pre-tax basis because you just paid within the policy to serve this high death benefit. So there's then a combined financial benefit, in multiple areas you can achieve. So there are a lot of applications that are not necessarily purely investment driven.

[00:56:11] Rodrigo Gordillo: Got it. Yeah. yeah, and so it's matching kind of this type of policy with other structures, like term policies and structure in the right way to be able to pay the taxes at the end of the, end of life. That would make the U.K. Bond plus the new structure, tax-free upon death.

[00:56:31] Riccardo Gambineri: Yeah.

[00:56:33] Rodrigo Gordillo: Great. So let's, we're near the end of the pod here and just, I want to pivot to the costs of doing this. It all sounds great. For any type of innovative solution, oftentimes I find that the costs outweigh the benefits. How does costing work in private placement life insurance in U.K. Bonds?

[00:56:59] Riccardo Gambineri: The cost aspect, and Frank will comment too, from our insurance company, insurance carrier perspective, obviously they're very different incentive models and

commission fee models, depending whether you use these universal life products that are guaranteed products, or sometimes several percent are paid as closing fees to the insurance agent. Different model and there's no really ongoing trail. The private placement world is, was initially developed as an institutional product really in the sixties, where the first private placement products in the U.S. issued, typically clients of those were insurance companies themself, and banks. They were the first using this kind of products.

So this institutional level has been maintained. So you have a super transparent cost structure. Typically the costs are in the basis point range. You're not talking about percentages. It's very transparent. Also, the cost of insurance. Everything is laid out separately, very transparent. There's, there are no hidden fees and costs, which clients appreciate a lot. Whether then the in detail outline fees are liked or disliked, that's a different, There are clients that are cookie cutters and want to have all the benefits and don't want to pay anything. You have that everywhere, but generally speaking, the cost side is very easy, to beat the tax savings. The cost typically for high net worth policies, they range 50 to 70 basis points all in. If it's really, depending on age, if the cost of insurances may be increased, rates maybe 80, 90 basis points.

But typically they're more than 50, 60 basis points. That's the cost. And then if you compare that with investment strategies and the tax residents of the investor, they often face between 30 to 50% tax on these income and these investment. These are…

[00:59:24] Rodrigo Gordillo: Those are the cost benefits that you need, analyses they need to do, in terms of cost. At the end of the day, money in pocket…

[00:59:29] Riccardo Gambineri: But as mentioned before, obviously that's always needed and a fair question. Obviously if you desire and you want to have an investment strategy that has a 15-years buy and hold strategies, the tax benefits alone may then not be as big. So we always look on the investment strategy and calculate as detailed as possible.

Obviously there's always the simulations, but we are not friend of having, just showing, crazy high returns, assuming the highest tax rate and showing the maximum benefit. Every client is different, so it should be really tailored, and Frank is doing a great job also, and in having these kind of discussions with potential clients, policy holders to ensure that the benefits, the purely pure financial benefits are verified.

Apart from that, there are all these other benefits, like we mentioned, enhance asset creditor protection, privacy on the investment level. If you go in other countries, where all the civil law countries where typically policies are not held by trusts, or even in the U.S. if you own them, directly, they're pay out of probate, right?

If you are living in Country A and you have an asset manager and a bank account in Country B, if it can take years to get the money after this with all the probate and court and translated documentation. If you do this as a policy, no problem. The policy pays to the designated beneficiary. No quota is involved. Money is not locked up for years in a foreign bank account. A lot of other benefits that are not just tax benefits, right?

[01:01:26] Frank Seneco: I, and if I can just add onto that, Riccardo is correct. Let's just use over the life of a contract, we can have 50 to 70 basis point drag. One thing that's very important, I'd have to give Riccardo credit for this term. As we talked earlier, active investment management and especially if someone's living in a high tax jurisdiction, is going to generate more taxation. So really we're giving somebody the ability to have tax neutral active asset management.

Now think about that for a second. So it's really going to be that tax drag that dictates this transaction. If you go into something where, we get this at times, you get the manager comes in, it's, if I have a client, he is going to buy X, Y, Z, big blue chip stock and hold it for 20 years, and if he holds it personally, you'll get a step-up, a basis in the U.S.. If it's in a trust, it might not. It's a whole separate conversation.

But if that, if they're not going to have active asset management, the policy might not work. But if you have something here where you're getting this as a tax blocker, that's really what clients are going into this for. Another thing here is really we don't have clients from, with my firm coming saying, listen, I want, I need 10, 25, $50 million of death benefit from my estate taxes. Go get me a private placement policy. This has been, I've got 10, 25, $50 million in a multi-generational trust. Want to make it tax efficient. We want to have a manager run this on a discretionary basis, and we want to look, to choose the manager. We can structure that. So it really comes down to math. It's, if the policy charges are less than the taxes you would pay, and you're taking advantage of the tax compounding, you're in a winning situation.

[01:03:10] Rodrigo Gordillo: Yeah. No, totally makes sense. And I guess one of the key things that, aside from cost that often comes up is, you know, how, what are the regulatory risks of somebody, or, and it's U.S. or U.K. deciding to pierce through the insurance policy and say, no, this is a tax

scheme. You're going to have to pay taxes on the underlying. What are the risks of that happening, from a regulatory perspective?

[01:03:40] Frank Seneco: I want to let Riccardo answer a big part of this, but I want to add one thing. I would state that a lot of it comes to how is their transaction structured? We see people where there are some abuses out there in the marketplace where you have these, let's move using as an example. I hear people talking about moving an operating business into a policy, or an asset that they're controlling. A bad fact pattern is really going to bring that to light, if a regulator's looking at that in the greater scheme of things. It is there for the public good. So, in the U.S. whether it's going to be pierced, because if we have certain limits or contribution levels they want to limit it to, that's something we're going to see.

Where's it going to go with the lawmakers? I don't believe we're going to get there. I would just say if somebody's doing a transaction irresponsibly, that puts that transaction at risk and even the broader marketplace at risk. Riccardo, anything to add?

[01:04:38] Riccardo Gambineri: As mentioned earlier, the last time there was a big overhaul in the U.S. taxation for life insurance taxation and the rules was in the eighties, ‘84, ‘86, and there have been a few small amendments in between in the first presidency of President, the current President, where basically, the tax rates for the insurance companies were lifted up.

But apart from that, because in the U.S. over 50% of the population have life insurance contracts. And as mentioned, the rules are the same whether you have a retail life insurance with cash value, or a millionaire owning a larger policy, the rules are the same. So we have hundreds, I think it was over 200 million insurance contracts enforced in the U.K.. There are over 20 million insurance contracts enforced life insurance contracts. So in many markets is always the same. There's so many enforce, it's nearly impossible to touch the existing ones. So from a legislative history, when laws were changed and governments decide, okay, now for whatever reasons we want to amend the rules, there was always so far, I don't promise anything for the future. Everything is possible. But so far it was always said, okay, the old contracts, as long as they don't modify it, they grandfathered. They benefit from old rules. Every new issue from date XYZ, that was the new rules. That's typically the way it's done. Otherwise, you create a huge mess, a nightmare in the existing books, hundreds of millions of contracts would have to be changed, demanded, this un-handleable.

So that's usually the way. But as Frank said, the key thing is proper contract, no aggressive structuring work with an insurance company that knows the rules, follows the rules, that is capable

operating the contracts in a way that they don't fail. There are things, like Canada has other, but somehow comparable rules.

You have to maintain a certain corridor, which so difference between, or the amount of risk in a relation to the cash value. And if you're not continuously monitoring this and ensure that the contract is staying in those rules, you break the contract and tax rules, tax privileges are gone. So there's also operationally and ongoing proper professional management to be done on contracts, interaction with clients.

Typically what Frank would do, together with us, if a portfolio would grow too fast or even the investment performance is really bad, then we would ring the bell and ensure that action is taken in whatever direction to ensure that the client is still be able to following the initial plans.

So the risks are really little, but clients shouldn't be too greedy. There are people running around that promising everything. I recently found, again, somebody who is promoting to wrap U.K. real estate in an offshore Bond, which is clearly nothing HRMC would ever bless. And you find aggressive stuff in the U.S. too.

And the problem, the contracts, they're stay long. That's typically why you take those contracts. You don't take them and cash them out after years. So they run typically many cases for estate planning. So if you do something really stupid or aggressive today, it may not hit you in one to three years, maybe in an audit in five, 10 years. Or even on the estate administration, right? and then paying back all this stuff. So the governments are very stable on this, but they don't like abuse.

[01:08:39] Rodrigo Gordillo: That totally makes sense. Now, has the U.K. updated? Wasn't there a regulatory update in the U.K. that you guys were paying attention to?

[01:08:51] Riccardo Gambineri: The biggest change was really the few hundred years old abolishment of the resident non-dom tax regime that allowed you, when you move to the U.K. you could go into this resident non-dom scheme. Basically, keep most of your assets outside in the foreign trust and there will not be taxed in the U.K. for a number of years, and very beneficial, so you had a mix between worldwide income and territorial taxation. This has all been abolished and that's very complicated for Americans in the U.K. context, because they always have all these trusts and now those become taxable in many cases, even subject to U.K. inheritance tax. That's why last year, and this year before April, nearly 10,000 people left the U.K., wealthy people, to escape these really drastic tax rules.

And on the insurance side, there was really no change except that for some of these trusts that were always outside U.K. taxation, and now very few can benefit still from this exemption. But those that holding U.K. offshore Bonds or onshore Bonds are not permitted anymore to take out money under the 5% per year rule.

That's, so they haven't changed the product rules they just had set for certain trusts, because they really wanted to abolish all this, tax benefits of this offshore trusts, as far as possible. They said okay, for some of these trusts holding these policies, the tax-free withdrawal is not possible anymore, but if you own them, otherwise, the contracts always haven't changed.

[01:10:46] Rodrigo Gordillo: Got it. Okay. this has been super informative, gentlemen. I really appreciate your time. Are there any final thoughts or key takeaways that you want the listeners to remember before we go?

[01:10:57] Frank Seneco: What I'd like to add is, planning can be very complex, especially when you get into individual jurisdictions and families in multiple jurisdictions, in general. But what we're utilizing is, it's insurance. The concept is more simple of the tax benefits insurance forged, and we build that into the planning.

It's the design, and ongoing administration that's more complex, and that's what we're here for. And these are long-term transactions and just believe that clients working with the right advisors, the right companies and staying in compliance are going to be the ones that are successful. So it's been a pleasure to be here. Thank you very much for having us. That's why I would, that's what I'd like to add. Riccardo, anything on your end.

[01:11:42] Riccardo Gambineri: Yeah, just in line, what you said is really, I tried to explain that it's not so complex what the product itself is. We take together with advisors and Frank, the complexity away from the asset manager and the family and do all these technical things. What is complex, nevertheless, and that we can't, it's independent from our solution. These products are typically embedded in a bigger plan, whether it's estate planning, asset protection, I, expatriation, immigration, all these complex structurings, that are really more family planning, family governance, structuring questions, and then they're combined with the insurance and the investment side.

And we often have a lot of discussions and have delays because families, when you then ask the right questions, have to sort out those things first. Technically plugging in our things is relatively easily done, but quite often we find us in situations where the family hasn't thought out about the

one or the other aspect, or even, they had a liquidity event and now this want to set up all these trusts and then they figure out, it's not so easy to think about.

Who shall when and why benefit from the trust, and define what is descendant, what is family? Is it bloodline? Is it in-laws? And then sometimes they spend easily six months just to answer these kind of questions, which has nothing to do with our solutions. But they are a fundamental prerequisite. And we always take pressure out, and really recommend and say, take your time, because these things are really the most important.

It's like a foundation for a house. If this is sand, everything you build on top will collapse sooner or later unnecessarily. So that's why things are often complex, but not because PPLI is complex and thank you for…

[01:13:45] Rodrigo Gordillo: Great context. Yeah, absolutely. Planning and the foundation before you start using tactics, right? Strategy before tactics.

[01:13:52] Frank Seneco: Yes.

[01:13:53] Rodrigo Gordillo: I think is super important to understand and we've got gentlemen like you to help people out and provide some clarity. So, where can listeners learn more about you guys, what you do, and where can they find you? Do you guys have any social media, or is it just direct to the company?

[01:14:13] Riccardo Gambineri: On our side, we have a website, CrownGlobalInsurance.com. Find myself also on LinkedIn. just look up my name is Quad Uni, and then you will find us too and everybody who has questions is welcome to reach out and then, we try to help. Thank you.

[01:14:36] Rodrigo Gordillo: Okay,

[01:14:37] Frank Seneco: Yes, for myself, we are just relaunching the website, which is going to be released very soon so you can find us, the web, and also you can find me on LinkedIn as well.

[01:14:49] Rodrigo Gordillo: Great.

[01:14:49] Frank Seneco: All…

[01:14:49] Rodrigo Gordillo: Thanks again, gentlemen. It was a pleasure having you.

[01:14:52] Frank Seneco: Thank you.

[01:14:52] Rodrigo Gordillo: I'm sure we'll again, very soon.

[01:14:54] Frank Seneco: Thank you. Look forward to it. Have a good day.

[01:14:56] Riccardo Gambineri: Bye.

[01:14:57] Frank Seneco: Bye-bye.

[01:14:58] Rodrigo Gordillo: I did want to take a quick second to remind our listeners that the team works really hard on these podcasts. We spend a lot of hours trying to get the right guests, and we do a lot of prep work to make sure that we're asking the right questions. So if you do have a second, just do hit that Subscribe button, hit that Like button, and Share with friends, if you find what we're doing useful.