



Client profile Wealthy Global Citizen



Client profile and common concerns

- Lives outside of the US more than 6 months (183 days) each year
- Global minimum net worth equivalent to \$5 million or more
- US connection/meaningful tie to the US
- Needs liquidity for estate tax or legacy planning
- Desires large amounts of death benefit for estate and wealth preservation
- Interested in owning assets denominated in US dollars as investment hedge and in managing income taxes

Questions to ask

- Do you have US citizenship or a US visa?
- Do you have immediate relatives with US citizenship or green cards?
- Do you own assets in the US valued at \$60,000 or more?
- Are you interested in asset and/or income tax diversification?
- How many days/months each year do you spend in the US?

Potential solution

- Client, a 60-year-old female, is a resident of Chile. She travels to the US several times a year, has a worldwide net worth of \$50 million and a US net worth of \$10 million (comprised of US real estate, investment accounts and a bank account).
- She will owe US estate taxes on her \$10 million US estate. Assuming a 40% estate tax, the tentative tax is \$4 million. As a nonresident for US estate taxes, she will receive only a \$60,000 exemption from estate tax (equivalent to a \$13,000 credit), meaning her projected US estate tax liability today is \$3,987,000. This liability should increase as her assets increase in value.
- When in the US, she applies for a \$10 million John Hancock indexed accumulation-type life insurance policy, which will provide her estate with income and estate tax free liquidity to cover her tax liability and enhance the legacy she leaves to her heirs.
- Because life insurance is not a “US situs asset” for estate tax purposes, she chooses to own the policy personally (no trust needed) for greater flexibility.

Why John Hancock?



Dedicated Underwriting and Advanced Markets teams with expertise working with wealthy global citizens



Leader in capacity and retention



Premium Financing is available



Guideline enhancements to reflect holistic approach to nexus and e-policy delivery

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