

Potential Tax Implications

- Tax deferral – In some jurisdictions, the returns earned on assets held in a FVLIP are allowed to accumulate tax-free (in the immediate term) and it is only when the death benefits are paid out to beneficiaries are the assets subject to income tax.
- Estate Taxes– In some jurisdictions wealthy individuals may be able to avoid estate taxes by making cash payments to their children while they are alive. The children then deposit the funds into a Paragon FVLIP using various “gift tax exemptions”. This is, in essence, a form of tax deferral. In addition to providing permanent life insurance, the funds can usually be accessed, tax-free through a policy loan.
- Retirement Planning – The tax-free policy loan is also frequently used as a source of tax-advantaged income in retirement.
- Estate Planning – Individuals can, sometimes and in some jurisdictions, use a FVLIP to reduce or avoid estate taxes by setting up a life insurance trust.

What else should I know?

With access to industry leading teams of international legal professionals, tax planners, wealth advisors, insurance specialists and finance experts, Paragon is able to tailor a unique insurance product to fit your individual needs.

For more information and a free consultation on your options, please contact one of Paragon’s international insurance advisors.



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Take the Bull by the Horns
Flexible Variable Life
Insurance



Flexible Variable Life Insurance

Paragon’s Flexible Variable Life Insurance Plan (FVLIP) is a sophisticated financial product designed specifically to meet the needs of high net-worth individuals. Where a Paragon FVLIP differs from traditional life insurance products is in, the control that it affords policy holders as well as its flexibility and potential for greater, individualized returns. With a Paragon FVLIP you control your future.

Premium Flexibility

Perhaps the biggest difference between a Paragon FVLIP and traditional life insurance is in the flexibility policy holders have over the timing, frequency and amount of premium payments. With traditional plans you are required to make fixed, regular, monthly premium payments. With our FVLIPs you have complete control over when you make premium payments, how often you make them and the amount that you contribute – including no payment at all. You can contribute, more or less, depending on your individual financial circumstances.

This flexibility extends to the type of premium payments that you make; either cash or the transfer of other assets. In addition, should circumstances require, a FVLIP offers instant liquidity through a policy loan. You decide.

Investment Flexibility

A Paragon FVLIP gives you the freedom to invest your premiums in an investment portfolio completely of your choosing. This means that the death benefit is tied to your individual portfolio performance and not the fixed payouts offered by other insurance products. You select your investment manager, custodian bank and most importantly, set your own investment strategy, from conservative mutual funds and guaranteed fixed interest investments to more aggressive stocks, bonds and real estate investments. You can make adjustments as needed.

The choice is yours.

Policy Holder & Beneficiary Flexibility

Paragon’s FVLIPs allows you to have multiple policy holders, from individuals and corporations to trusts and foundations. Additionally, the policy allows you the option of designating multiple beneficiaries, including charitable organizations and allows you to dictate the allocation of the death benefit amongst those beneficiaries. The beneficiaries also have the option to receive their insurance payout in either cash or through a transfer of the assets held in the FVLIP. You control the plan.

Comparison of the Alternatives

	Term Life	Whole Life	Universal Life	Flexible Variable Life
Death Benefit	X	X	X	X
Flexible Payments			X	X
Invested in the Market				X
Guaranteed Cash Value		X	X	
Low Monthly Cost	X			X
Tax Advantages	X	X	X	X