

Benefits of a Business Insurance Trust Agreement

The IGS Business Insurance Trust Agreement is a unique Agreement that:

Simple

- is the legal and tax foundation of a One-Page Succession Plan;
- helps business people to see the Big Picture on one worksheet;
- allows all Business and Personal Insurance Cover to be included on One Policy held by just One Owner for each Life Insured (rather than Multiple Policies owned by Multiple Owners);

Comprehensive

- enables a Business to combine Asset (Purchase Price), Liability (Key Person) and Personal Needs/Cover on one Policy for each Life Insured;
- allows Personal and Self-Managed Superannuation Fund-owned Cover to be held on one Policy;
- allows the legal strategy to become secondary to the commercial and insurance strategy of the Succession Plan;

Flexible

- can place a “Roof” over one new Policy or a number of existing Policies;
- creates an “Insurance Facility” within which Cover can be re-allocated within the Policy as individual needs change;
- allows future increases in the Purchase Price to be funded by Insurance Cover that was previously allocated to other needs that might have reduced (such as Debt Reduction or Personal Cover);
- maximises Future Insurability of the Purchase Price;

Secure

- is a “Legal Engine” that securely drives all components of the Policy to the appropriate Recipient;
- places a “Roof of Security” over the Insurance Cover that minimises the risk of default;

Tax-effective

- has obtained a positive opinion from the CGT Cell of the ATO;
- solves all relevant insurance ownership and tax issues;
- addresses tax issues with respect to the payment of the insurance proceeds by the Insurance Company to the Policy Owner or Beneficial Owner of the Policy;
- addresses tax issues with respect to payments to the appropriate Recipients;

Cost-effective

- reduces Policy Fees;
- maximises Volume Discounts with respect to the Premiums;
- provides greater protection for a comparable legal fee.