

Revolutionary Tax Planning Solutions

By **Ken Trumpfheller**

Do you have HNW clients that would benefit in having your Alternative Investment strategies or allocations available to them tax deferred and tax free?

- **Now there are solutions that provide you the opportunity to offer your investment strategy to clients on a tax preferred basis**

Private placement insurance is a tax and estate planning tool that has been in existence for over 20 years but has had limited market penetration. These tools enable Advisors to continue to manage their client's portfolio of alternative investments but in programs that treat any gains as either tax free through a Private Placement Life Insurance policy (PPLI) or tax deferred in a Private Placement Variable Annuity (PPVA).

A private placement policy is essentially an insurance wrapped investment in a separate account known as an Insurance Dedicated Fund (IDF). The IDF must adhere to IRS guidelines regarding the diversification of investments and "arm's length" control issues which is typically already being adhered to by Advisors. In the same manner as traditional "variable" insurance products, private placement insurance allows policy holders to maintain investments in a US based entity, backed by a nationally recognized insurance carrier, within a widely accepted and time tested tax efficient vehicle.

One of the reasons private placement insurance hasn't gained wider acceptance is largely due to the structural approach of most of the industry's IDF managers. Advisors typically reject the concept if it requires delegating portfolio investments to an unaffiliated IDF manager.....even if the resulting tax impact would benefit clients. Even in situations when investment discretion in the IDF is given to an Advisor as sub-advisor, there is still apprehension if the IDF is controlled by an unaffiliated entity.

Accel Fund Services has a different approach. Working in coordination with Advisors, the "Accel IDF" respects the integrity of the existing advisor/client relationship while at the same time provides Advisors with a proprietary fund product that utilizes the Advisors existing strategy and track record to help grow assets under management.

In addition to continuing to direct the investment of clients assets, the Accel IDF enables Advisors to retain ownership in the IDF General Partner through what is essentially a “white labeled” approach to private placement insurance. Advisors can now offer their clients tax saving opportunities without introducing a competing advisor into the relationship. As an approved IDF manager with major insurance carriers, Accel Fund Services provides a seamless transition to a private placement policy structure in a cost and time efficient manner.

If you’re hearing about private placement insurance for the first time or if you’re familiar with the product but have never found a way to incorporate the strategy, please reply or call 800-298-1995 if you’re interested in hearing more about the benefits that private placement insurance can provide your clients.

About Accel Fund Services, LLC:

Ken Trumpfheller, the Founder and Principal of Accel Fund Services, LLC began providing investment programs to Investment Advisors in 1995 by creating low cost, turnkey, mutual fund series solutions. At the time, this was a revolutionary process that enabled Advisors to manage their own mutual funds without having to modify or increase expenses of their investment management practice. In today’s marketplace, this turnkey process has become the industry standard for money managers entering into the mutual fund industry.

Accel Fund Services, LLC has now pioneered solutions for Advisors with High Net Worth clients with the ability to enter this currently exclusive Insurance Dedicated Fund industry.