MassMutual
Strategic Distributors

SUCCESS STRATEGIES
Advanced Sales

MassMutual's High Net Worth Foreign Nationals (HNWFN) Program

Life insurance Planning Applications

MassMutual's HNWFN program is designed to help foreign nationals with a global net worth of $5 million or more, assets or interests in the U.S., and a demonstrated nexus to obtain U.S. life insurance. Many of these individuals and couples have a need for a substantial amount of life insurance to meet a variety of current and future financial needs that may include:

Business Planning | Wealth Preservation | Income Protection | Estate Tax Funding

Why Would Foreign Nationals Consider U.S.-Based Life Insurance?

There are many reasons foreign nationals might want U.S. life insurance:

- May need to protect U.S. assets
- Effective way to fund U.S. estate or inheritance tax liabilities
- Protect earning power and dependents
- For those with business interests in the U.S., life insurance may be a critical part of succession planning
- Availability of competitive and comprehensive life insurance products to meet a variety of needs

Overall, U.S.-based life insurance can be an important part of a foreign national's long-term financial planning as long as he or she has an established nexus to the U.S. and a financial need for the amount of life insurance requested.

PLANNING APPLICATIONS WITH LIFE INSURANCE

BUSINESS PLANNING

For foreign residents with business interests in the U.S., life insurance may be a crucial part of succession planning.

EXAMPLE: Christina, an Italian citizen and resident, is 25% owner of a U.S. seafood distributor. She spends several weeks per year for a business in the U.S., and together with the other shareholders, is currently working with an attorney to draft a buy/sell agreement to cover the transition of the business in the event of a death, retirement, divorce, or disability of one of the shareholders. They decide to move forward with a stock redemption agreement and fund the agreement with U.S. based life insurance to ensure that her heirs will be fairly compensated for the value of her shares per the terms of the buy/sell agreement.

WEALTH PRESERVATION

Foreign residents may be able to use a U.S. life insurance policy for estate tax advantages. For non-citizen/ non-residents, the maximum amount exempt from U.S. estate taxes is $60,000. Some assets are excluded from U.S. federal estate taxes, such as U.S. bank deposits, treasury notes, government bonds and life insurance death benefits. U.S. real estate is generally subject to U.S. Federal estate taxes.

EXAMPLE: Wayne is a wealthy citizen and resident of Australia, with a vacation home in California where his children also reside. He spends a few weeks a year in the United States, and would like to preserve the family vacation home for the benefit of his children when he passes away. He purchases a U.S. life insurance to ensure that the death benefit will provide the funds to pay taxes due on the home without requiring its sale.

INCOME PROTECTION

Foreign residents often have substantial income. U.S. based life insurance may be an effective way to protect their earning power.

EXAMPLE: Jeff is a U.S. citizen who currently resides in Poland for 6 months or more during the year working as an executive for a technology company. He has a U.S. resident spouse and children attending school in the U.S., and intends to retire in the U.S. With a U.S. life insurance policy, he can ensure that the death benefit will be available to replace the loss of his substantial income should he die prematurely. Additionally, the same policy could be designed to supplement his income during retirement.

ESTATE TAX FUNDING

Foreign residents may have an estate tax liability for assets within the U.S. and other inheritance or income tax liabilities both in the U.S. and in the country where they are citizens/residents. U.S. based life insurance may be an effective way to fund the U.S. tax liability.

EXAMPLE: Sue is a citizen and resident of Brazil with substantial real estate and investment holdings in the U.S. She expects to have some exposure to the U.S. estate tax, and together with her attorney decides that to help with that liability, she will purchase a U.S. life insurance policy. Estate taxes in the U.S. are due within 9 months of the date of death in cash, and the policy will help ensure her family has the funds to pay the tax liability without liquidating her investment portfolio.

Contact Advanced Sales at **1-800-601-9983 Option #2**
or email **MMSDAdvanced Sales@MassMutual.com**

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