ESTATE PLANNING & ASSET PROTECTION

MBAT

Masters' Business Alliance Trust

# Specialized Insurance Asset Trust (SIAT)

## Concept Applied:

ESTATE OWNERS SEEKING A POWERFUL WEALTH TRANSFER OPPORTUNITY MAY SELL ASSETS TO THE *SIAT* IN EXCHANGE FOR A PROMISSARY DEMAND NOTE.

**50 Words or Less:** A Specialized Insurance Asset Trust (**SIAT**) is specialized Trust in which the Trustee retains absolute power over the trust's assets.

**How it Works:** The Trustee sells income producing assets to the *SIAT* in exchange for the promissory demand note. No tax is due on the assets' appreciation. Passive trust income is non-taxable, deferred income to the trust. The trustee uses the total passive trust income to make non-taxable equity withdrawals against the demand note. The trust's property remains outside of the Trustee's estate.

**Why is it Useful?** The Trustee(s) of Spendthrift Trusts may purchase and hold insurance policies on the Trustee(s) or Beneficiaries. Proceeds of such policies that are tax exempt when passing to the Trustee or Beneficiary of the insurance policy to whom the policy is written hold the tax exempt status when distributed to the person named on the policy. Also, the benefits of the policies may be distributed to the heirs of said holders on the death of that person. Payments of the Demand Notes, being after tax dollars when conveyed to the heirs, are also pass through.