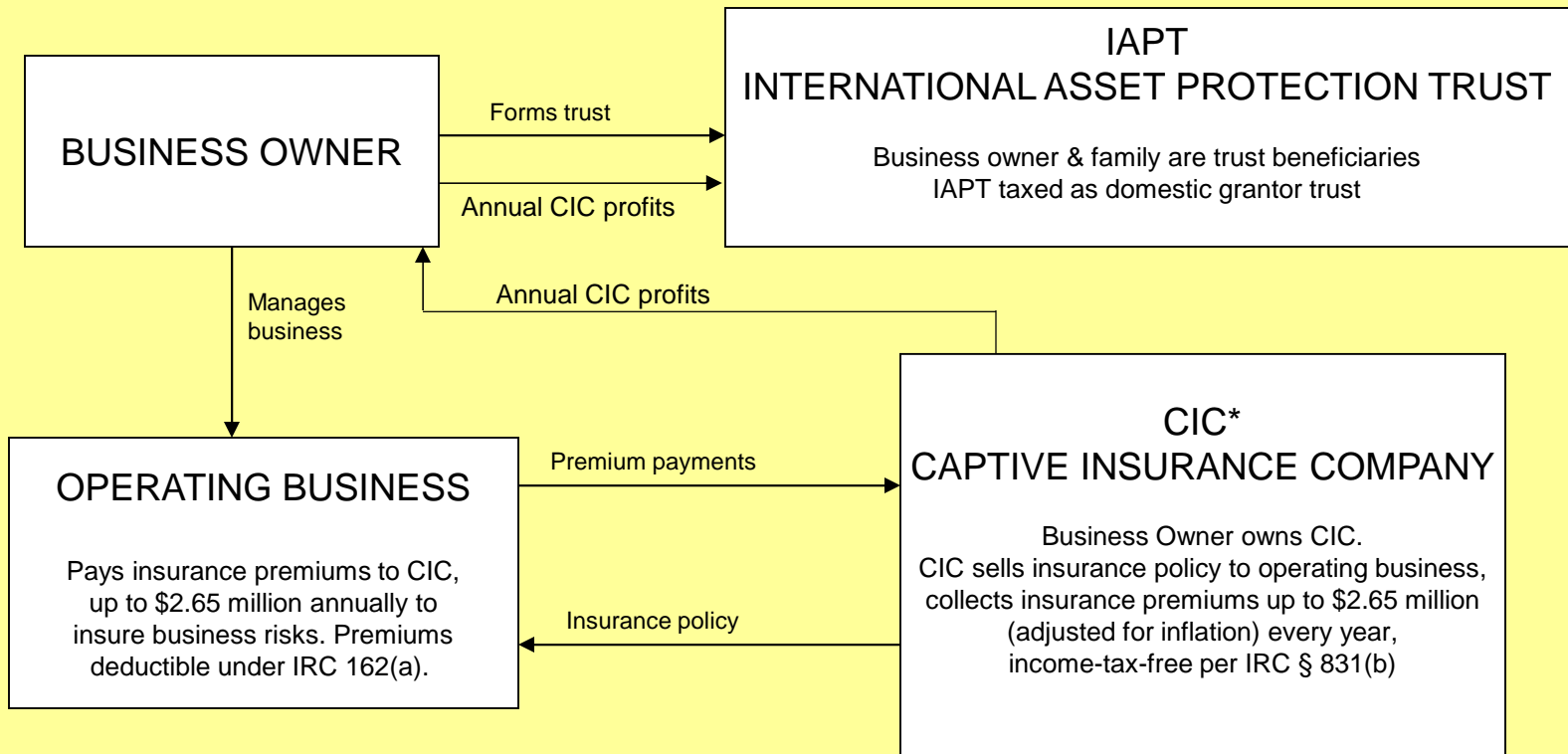


## CAPTIVE INSURANCE COMPANY (CIC) PROFITS GIFTED TO IAPT



\*Cost of turnkey CIC solution, including cost of insurance and claim payments: typically 12-18% of annual premiums (16-26% in first year). Thus, annual CIC **profits** can be 80-90% of annual premium payments. Tax efficiency increases if IAPT owns private placement life insurance in which trustee invests annual CIC profits. Also, when a CIC lowers owner's tax bracket beneath threshold levels, owner's income tax is lowered.