

WHAT HAPPENS AFTER A CLIENT MEETING OR TELECONFERENCE

The following steps need to be taken after the Client Meeting or Teleconference in the following sequence:

1. Design and Cost Your Succession Plan

- Prepare Complete Succession Plan Report and Draft Worksheets (*Ian Gray Solicitor*);
- Use the Worksheets as a template to design a Succession Plan for all of the Lives Insured (*Adviser and Business*);
- Obtain financial product advice and a premium estimate from the Adviser for each Life Insured's Policy (*Adviser*);
- Fine tune each Life Insured's Succession Plan (having regard to the premium cost) (*Business*);

2. Implement Your Succession Plan

- Supply Complete Instructions (including all information identified as "to be supplied" in the Complete Succession Plan Report, Draft Worksheets and Business Details) (*Adviser and Business*);
- Sign the Solicitor's Authority to prepare the Business Succession Agreement in the Business Details (*Business*);
- Sign the Power of Attorney in the Business Details (NSW and Victoria only) (*Business*);
- Pay the Legal Fee (*Business*);
- Prepare the draft Agreement (*Ian Gray Solicitor*);
- Authorise the applications for the approved levels of Cover (*Business*);
- Sign the Applications for the approved levels of Cover (*Business*); and
- Apply for the Cover (*Adviser*).

NOTE:

Original Beneficial Ownership of Policies for Tax Purposes

The Procedure and Fee Structure are dictated by the terms of the Capital Gains Tax exemptions for the Proceeds of Insurance Policies.

Under the Trust Ownership structure, the Trustee will be the "Legal Owner" of the Policies.

However, the Life Insured will be the "Beneficial Owner" of the Policies.

It is necessary to start drafting the Agreement before the Cover is applied for, so that the appropriate party is the "Original Beneficial Owner" of the Policies for Capital Gains Tax purposes from the outset.

This enables the Agreement to obtain all available CGT exemptions with respect to the Insurance Proceeds.

If there is no documentary evidence that the Life Insured is the Beneficial Owner, the Trustee will appear to be the Original Beneficial Owner of the Policies.

This may result in a CGT liability with respect to the Insurance Proceeds.