



Global Citizens Program

Helping international clients protect and diversify their assets



Designed for you

This guide is designed to give you the tools you need to help you promote the Global Citizens Program.

Global citizens see financial opportunities, not geographic boundaries. They may have business interests, real estate holdings, or family ties in many countries, including the United States (US). However, as a non-US resident, their US estate tax exemption of just \$60,000 is far below the \$12.92 million that US citizens enjoy.

Guardian's Global Citizens Program allows international clients to access US-based life insurance that offers a tax-exempt death benefit that can help satisfy any tax liability associated with owning substantial US-based assets.

This guide will give you detailed information about the Global Citizens Program, along with real-world case studies that may be applicable to your clients.

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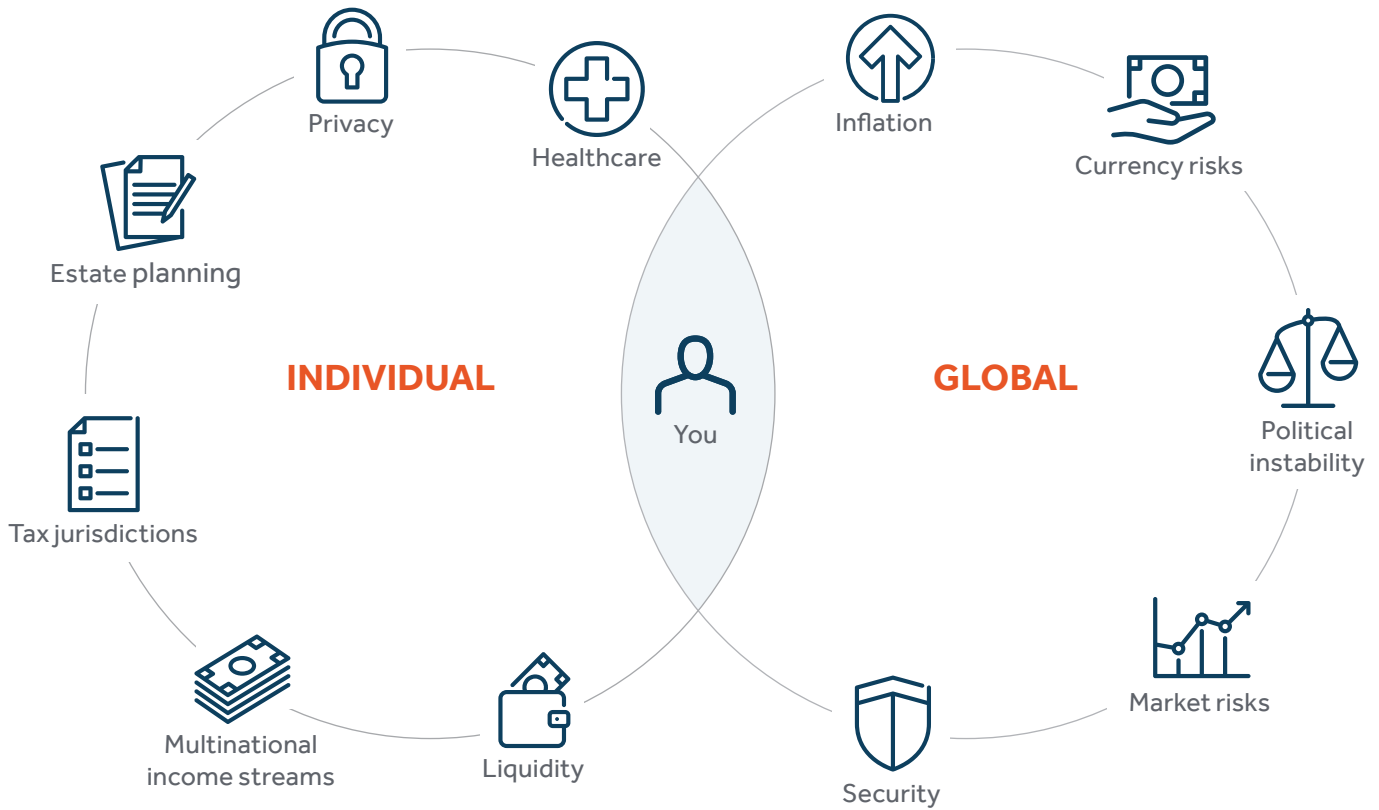
What is the Global Citizens Program?

Guardian's Global Citizens Program lets you offer expanded, white-glove services to non-US residents who have immediate family ties and/or considerable financial interests in the US.

As a non-US resident, these high net worth international clients and their heirs face enormous estate tax liabilities for any and all assets owned in the United States. When the time comes to pass it down, an estate that took a lifetime to build can quickly be reduced to a fraction of its original size.

US estate taxes are just one of many challenges.

When your assets are global, your threats can be, too. Global citizens face a myriad of internal and external considerations.



Why Guardian for your global clients

- Founded by immigrants
- Issuing coverage for foreign nationals since 1919
- Highly diverse employee base



Guardian's financial strength

Financial strength ratings

Independent rating services measure the qualifications of insurance companies. They provide impartial evaluations regarding each insurer's financial strength and its ability to pay claims.

The Comdex¹ score is an unbiased number consisting of the three major rating agencies' ratings. As of August 25, 2023, Guardian has a Comdex score of 99 and is among the top 1% of insurance company ratings and rankings.

A.M. Best: A++ (Superior — highest of 15 ratings)

Moody's Investors Service: Aa1 (High quality — 2nd highest of 21 ratings)

Standard & Poor's: AA+ (Very strong — 2nd highest of 20 ratings)

Ratings are as of August 25, 2023 and are subject to change.

Surplus

Life insurance reserves represent the dollars a company sets aside to pay future benefits — both in terms of cash value and death claims. Surplus is simply the excess of an insurance company's assets over its reserves and liabilities.

Guardian has a strong surplus position. And we understand the importance of growing our surplus each year to ensure funds are available to handle unforeseen events. Our investment philosophy focuses on maintaining a well-diversified portfolio for the long term. This underlies an investment return that is used to develop Guardian's competitive whole life dividend. As of December 31, 2022, Guardian has a three-year cumulative surplus growth rate of 5.1% and a total surplus of \$8.8 billion.

Capitalization ratio

This ratio measures the financial strength of a company. It's a key indicator of a company's ability to remain strong during an economic downturn.

Insurance companies have reserves set aside to pay future claims. They also have liabilities (debt). Simply stated, the capitalization ratio is the percent of the company's debt compared to its assets. Therefore, a higher capitalization ratio indicates greater financial strength and stability. As of December 31, 2022, Guardian's capitalization ratio ranks among the highest in the life insurance industry, with an average five-year capitalization ratio of 14.5%.

¹ Comdex is not a rating, but a composite of all ratings that a company has received from the four major ratings agencies (A.M. Best, Standard & Poor's, Moody's, and Fitch). Comdex represents a company's percentile standing, on a scale of 1 to 100 (with 100 being the best), in relation to other companies that have been rated by the major agencies. Ratings are subject to change. Ratings do not apply to the investments issued by The Guardian Insurance & Annuity Company, Inc. (GIAC) or offered through Park Avenue Securities (PAS). The Comdex ranking is as of December 31, 2022 and is subject to change.



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Why owning US-based life insurance matters

Many multinational clients own US life insurance for the same reasons they do any US asset.

Compared with policies from other countries, US-based coverage can provide:

Generally larger death benefits

Tax-deferred growth and US income tax-free death benefits

Greater balance for a portfolio's international holdings

Funding in one of the world's most stable currencies

Higher-rated insurers from objective, third-party organizations

Valuable features like premium financing

A lower mortality rate and higher interest rate than offshore insurers, often resulting in lower premiums

A tax-exempt vehicle to help pay US estate taxes

The benefits of a US jurisdiction and US regulations

Favorable treatment from all Intergovernmental Agreements (IGAs)

What the program offers global clients

Guardian has assembled a dedicated team with experience serving high net worth global citizens. Together, they deliver white-glove service to your valued international clients, including:

- Case Concierge to shepherd you and your client through the application process
- Dedicated underwriters
- Complimentary review of US trusts
- Translation services
- Law firm referrals



Which clients qualify

To participate in the Global Citizens Program, clients must:

- Be a non-US resident
- Have \$250,000 in a US-chartered bank for at least six months,² or
- Own residential or commercial property in the US, or
- Own an interest in or equity in a US-domiciled business, or
- Have immediate family members who are US citizens

Program offering

Maximum Coverage

Up to 4 times the value of US-situated assets.

Limits

- Up to \$20M for A countries³
- Up to \$10M for B countries

Retention

- Up to \$20M for A countries

Countries of Specialization

Argentina	Hong Kong	Serbia
Canada	Israel	South Korea
Chile	Mexico	Taiwan
European Union	Panama	United Kingdom

We reserve the right to change/update the country list at any time due to current geopolitical conditions.

Considerations

- All sales and solicitation must take place in the US
- All premiums must be paid from a US bank account.

² Other financial related requirements may apply.

³ We may bind our reinsurers for a total risk of \$30M for some cases. Consult your underwriter.

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Global citizen case studies

International estate planning to satisfy US tax liability: Miguel, resident of Mexico

It began 20 years ago, when Miguel bought his first US property, a condo in Texas. The investment paid off: The unit was always rented, and it appreciated more than expected. So, Miguel bought another, and another. Fast forward and Miguel now owns 12 units — all in his name — valued at \$4M.

Unfortunately, Miguel's US estate tax exemption is just \$60,000. That would leave his heirs with a potential taxable estate of \$3.94M. His solution: A Guardian whole life insurance policy with a death benefit of \$1.576M. This amount represents 25% of his US taxable estate — enough to help his heirs pay the taxes due.

Premium financing provides discretion, and retirement income: Angel, resident of France

This client needed death benefit protection for his family, and was looking for another source of retirement income for times when his other investments were underperforming. His trusted Guardian financial professional suggested a whole life policy that had the potential for significant cash value growth in addition to the death benefit.

Angel agreed to the policy's \$400,000 annual premium, but worried that large transfers from his French to US bank accounts would attract unwanted attention. Using premium financing, he was able to pay just the policy's interest of \$28,000 in the first year, \$56,000 in the second, and so on — all while having access to the policy's available cash value for income, and the death benefit protection for his family.

(Note: Premium financing must be approved prior to submitting, and is subject to limits based on US assets, client net worth, and retention limits within the home country.)

Succession planning, estate equalization, and wealth transfer: Sergio, resident of Chile

Sixty-five-year-old Sergio operates a furniture business in Miami. His son, Alexander, dreams of one day owning the business, valued at \$3M; his daughter, Samantha, has no interest in or experience with the company.

Sergio wishes to divide his assets equally, including his \$1M home in Chile and \$1M in cash. Sergio's financial professional suggested that he bequeath the business to Alexander and his home to Samantha. Next, the recommendation was for Sergio to use his cash to purchase a \$2M Guardian whole life policy, which his daughter would receive when he passes.

How to write business through the Global Citizens Program

IMPORTANT NOTE: As a reminder, all sales activity, solicitation, and negotiation must take place while you and the client are physically in the United States. This includes pre-application communications through policy delivery.

Pre-application

1. Call the BRC Case Concierge for information on program parameters and for initial case consultation.
 - The Case Concierge and the BRC will provide the full range of BRC services, including case consultation and case design support.
 - The Case Concierge will facilitate US trust review, if requested/needed.
2. Alert the Case Concierge when you are ready to meet with the client and take an application.
 - Reminder: All solicitation must take place in the US, including the application and policy delivery.
 - The Case Concierge will alert New Business and Underwriting, providing your name, your client's name, and any additional available information so the case can be coded properly.

Application

You may take the application on paper.

1. Consult the Underwriting Checklist to be sure you have, or have access to, all the information you need to collect.
2. Complete the application with the client. Be sure to obtain the client's signature.
 - You may put the trust's TIN in the space in lieu of a Social Security Number.
 - Complete and sign Form 23-FNDA; have client read and sign the 23-FNDA as well.
 - Complete and sign the Foreign Travel and Residence Supplement (it is state-specific).
 - Complete and sign the Producer Certification form.
 - Select BRC on question 1 of the producer certification.
 - Indicate in the Producer remarks section (Section C) that this is a Global Citizens case.
 - Give the app to your agency's new business team. They will upload the app into the system and send a scanned copy to the Home Office.
3. If you have any questions about the status of the application or need any help with the process, contact the Case Concierge at **800 871 7780**, option 3, then option 5.





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Underwriting

- Underwriting will order age/amount requirements and request additional information from your agency's new business team as needed. (All Global Citizens cases are fully underwritten.)
- If an Attending Physician's Statement (APS) is needed, Underwriting will request it from your agency's new business team, and provide the contact information of a vendor specializing in international APSs/medical records.
- If the APS comes back in a foreign language, your agency's new business team must obtain a quote for translation using one of the vendors on our vendor list (which will be provided to them). The quote should be emailed to guardian_uw_vmo@glic.com for fee approval prior to translation. Once the quote is approved, you can submit the records for translation.
 - Your agency will be reimbursed for the cost of translation. Contact guardian_uw_vmo@glic.com for reimbursement criteria, requirements, and requests.
- If you have any questions about the status of the application or need any help with the process, contact the Case Concierge at **800 871 7780**, option 3, then option 5.

Policy issue

- Underwriting will make an offer for the client and request issue instructions from you.
 - You must provide a final illustration within the Underwriting offer parameters.
- New Business will issue the policy according to your final illustration and note any delivery requirements.
 - The policy will be sent to the agency dashboard on Guardian Online (GOL).
- You may choose whether to send the policy for ePayment/eDelivery, or to print the policy for delivery.
 - If you send the policy for ePayment/edelivery, your client will receive the appropriate links to take delivery and put the policy in force. They must complete this while in the US.
 - If you opt for paper delivery, you must send payment and signature requirements back to New Business, who will put the policy in force.
- The client must be in the US when taking delivery of the policy.

Underwriting checklist

Please be sure the application and/or cover letter includes the following:

- Client age
- Client general health (i.e., any known health issues)
- Country of citizenship
- Address of current residence
- Amount of time spent in the US annually
- Who/what will own the policy and where it will be domiciled (i.e., owned by a US trust/US business)
- Net worth estimate – details of US-based and non-US-based assets
- Details of significant financial ties to the US (e.g., works in the US, owns property or business in the US)
- Amount of insurance desired and, if outside of traditional financial guidelines, explanation to how the amount was determined
- Purpose of insurance

Required documentation

- Completed application and forms, including Form 23-FNDA
- Indicate it is a Global Citizens case in the special remarks section
- Foreign Travel and Residence Supplement forms
- Verification of client citizenship/identification and copies of supporting documents (i.e., valid visa, passport)
- Documentation that verifies the client qualifies for the Global Citizens Program, such as:
 - Bank statements or a letter from a bank showing \$250K in a US bank for 6+ months. Additional financial documentation may be needed, based on the circumstances and amount of coverage applied for and in force.
 - Articles of incorporation showing client ownership in a US business
 - Copies of deeds/proof of ownership of US real estate
 - Proof of citizenship of a direct relative (parent, child, grandchild, etc.)
- Completed Producer Attestation 23-FNDA form, signed by both producer and client.

Based on published age and coverage amount requested, Underwriting may also require other documentation. Please refer to Pub4501, [Underwriting guidelines and requirements](#), for more details.

PLEASE NOTE: Case must be completed and placed in the US and premiums paid in US dollars from a US bank account. No foreign wires will be accepted.



Law firm referrals

The following list of law firms is provided for informational purposes only. All firms may be able to provide legal and tax services to global citizen clients.

None of these firms are recommended, endorsed, or affiliated with Guardian and Guardian has no relationship with any of these firms. There are no discounts or other benefits provided for selecting or utilizing the services of any of these firms. Please refer to each firm's website for more details on their international experience.

[Baker McKenzie](#) **[Holland & Knight](#)** **[Loeb & Loeb](#)** **[Greenberg Traurig](#)**

**To contact a Global Citizens Case Concierge:
Call 800 871 7780, option 3, or email us at brcas@glic.com.**

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