

WHAT IS A LIFE INSURANCE TRUST?

PROTECTING WEALTH, PRESERVING LEGACY

A Life Insurance Trust, also known as an Irrevocable Life Insurance Trust (ILIT), is a powerful estate planning tool designed to manage life insurance proceeds and ensure they are distributed according to your wishes—outside of your taxable estate.

HOW IT WORKS

In a Life Insurance Trust, the trust becomes the owner and beneficiary of your life insurance policy. Upon your passing, the policy proceeds are paid directly into the trust. A trustee—such as Leno Trust Ltd.—then manages and distributes the funds for the benefit of your chosen beneficiaries.

Because the proceeds are not owned personally at the time of death, they can:

- Avoid probate delays
- Remain free from estate taxes (if structured correctly)
- Be shielded from creditors
- Provide liquidity to pay taxes or debts without selling family assets

Key Benefits of a Life Insurance Trust

- Estate Tax Efficiency: Keeps insurance proceeds outside of your taxable estate
- Control Over Distribution: Specify how and when funds are used (e.g., staggered payments to children)
- Asset Protection: Prevents mismanagement or loss of funds

- Privacy: Trust arrangements remain confidential and outside public probate records

WHY SET ONE UP IN THE BAHAMAS?

The Bahamas offers a stable, tax-neutral environment and a sophisticated legal framework for trust administration. With experienced professionals and modern trust legislation, Leno Trust Ltd. ensures that your Life Insurance Trust is properly structured, compliant, and administered with integrity.

Interested in safeguarding your legacy?

Contact Leno Trust Ltd. today to learn how a Life Insurance Trust can form a key part of your estate and wealth planning strategy.



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