


# 1) ROBERT BETHONEY (Bob)

 RSA93V19N27.PDF - A

"robert j Bethoney" hutton



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[Longview News-Journal from Longview, Texas on April 27, 1980 ...](#)

<https://www.newspapers.com/newspage/221642369/> ▼

Apr 27, 1980 - DIFMOND REFTIOUNT DATES: Sale Ends April 30

Let E. F. **Hutton** show ... Texas Speaker: **Robert J. Bethoney**

First Vice President E. F. **Hutton** ...


2) "alan richards"

# 3) Jerome C. Eppler

1963 Founding Life of California

Hutton

First Capital

 act-1981-vol15-iss07-fritz (8).pdf - /

## WHO CONCEIVED THIS INSTRUMENT?

Subject to responsibility being accepted (and documented) by somebody else, we hold that the father is George R. Dinney, and the place of conception Winnipeg, Canada. In response to our enquiry, Mr. Dinney recounts the history thus:

“THE COMPANY THAT INTRODUCED THE

first Universal

Life product was introduced in 1979

by Life Insurance Company of California,

now E

## 2. Tax Treatment of Life Insurance

Congressional Hearings (1824-current) | May 10, 1983

... Allstate Insurance Co. RICHARDS, Alan, pres and chief exec officer, **E F Hutton** Life Insurance Co. HIPPEL, W. Hayne, bd chm, Liberty Life ...

... Life Insurance Cos. RICHARDS, Alan, pres and chief exec officer, **E F Hutton** Life Insurance Co. GOODE, Robert B., Jr., exec vp, Hartford ...

... for deferred annuity contracts; characterization of annuity products; perspectives on **universal life insurance** coverage; tax issues involved in universal life products.

TESTIMONY SUBJECTS: ...

### [SENATORS SEEK TO KEEP LIFE POLICIES' HIGH YIELD - NYTimes ...](#)

[www.nytimes.com/1982/07/15/.../senators-seek-to-keep-life-policies-high-yield.html](http://www.nytimes.com/1982/07/15/.../senators-seek-to-keep-life-policies-high-yield.html)

Jul 15, 1982 - The new tax measure would offset the effect of an **I.R.S.** ruling last month that would have pared current interest yields on universal policies by about four ...

Massachusetts Mutual Life Insurance Company, and Jeffrey P. Hahn, vice president and associate counsel of the E.F. **Hutton Life** Insurance Company.

### [\[PDF\] Personal Financial and Tax Planning with Insurance Products and ...](#)

[scholarship.law.wm.edu/cgi/viewcontent.cgi?article=1464&context=tax](http://scholarship.law.wm.edu/cgi/viewcontent.cgi?article=1464&context=tax)

by WB Harman Jr - 1983 - [Related articles](#)

(1) Introduced by **Hutton Life** in 1978, universal life insurance provides full flexibility in premiums and benefit ... (a) In a private letter ruling in 1981, the **IRS** ruled that the death benefit was excludable from gross ... ruling and in GCM38934, the Chief Counsel of the **IRS** recommended that universal life should be viewed as a ...

[Redefining Insurance: Distinguishing between Life Insurance ... - jstor](https://www.jstor.org/stable/796002)  
<https://www.jstor.org/stable/796002>

**Hutton's life** insurance policy as "more like a tax-free money fund than like life insurance." *Id.* at 68. Although the **IRS** has approved E.F. Hutton's product as insurance in a private ruling in 1981, this product could easily be ruled to be an investment. *Id.* Mutual funds have complained to the **IRS** about the unfair tax advantages ...

[\[PDF\] Federal Taxation of Life Insurance Companies - SMU Scholar](https://scholar.smu.edu/cgi/viewcontent.cgi?article=3229&context=smulr)

[scholar.smu.edu/cgi/viewcontent.cgi?article=3229&context=smulr](https://scholar.smu.edu/cgi/viewcontent.cgi?article=3229&context=smulr) ▼

by KA Tucker - [Cited by 5](#) - [Related articles](#)

the courts and the **IRS** have focused on the fundamental concept of insurance, shifting the ..... acterization of this excess interest on deferred annuity contracts has been an area of long-standing controversy between the insurance industry and the **IRS**. ..... A 1981 private letter ruling to E.F. **Hutton Life** Insurance Company.

# "hutton ruling"

## Statutes and Legislation (1)



Sort b

### 1. [Tax Treatment of Life Insurance](#)

Congressional Hearings (1824-current) | May 10, 1983

... 101 interpretation which I agree ruling reconsidered in mid-1982 is **Hutton ruling** probably perceived abuses universal life insurance policy Back investment orientation ...

### [Your Money - Universal Life - Tax Changes - NYTimes.com](#)

[www.nytimes.com/1982/11/13/business/your-money-universal-life-tax-changes.html](http://www.nytimes.com/1982/11/13/business/your-money-universal-life-tax-changes.html)

Nov 13, 1982 - The proponents of **universal** life have cited the passage of the law this year as a major boon. "We think it wiped away any doubts that anyone might have had about the legitimacy of **universal** life," said Jack Barger, a senior vice president of the **E.F. Hutton Life Insurance** Company, who says that he sold the ...

### [\[PDF\] The Future of Permanent Life Insurance - Society of Actuaries](#)

<https://www.soa.org/library/proceedings/record-of-the...of.../RSA81V7N36.PDF> ▼

by KT Clark - 1981

RECORD OF SOCIETY. OF ACTUARIES. 1981 VOL. 7 NO. 3. THE FUTURE. OF PERMANENT. **LIFE INSURANCE**. Moderator:

KENNETH T. CLARK. Panelist: ..... future of the economy.

Another school of thought that predicts the end of the traditional whole life product is the **Universal**. Life school. I am sure everyone here.

In February of 1981, the IRS issued a favorable private letter ruling on variable life. Noting that that “insurance risk, as described in *LeGierse* [*sic*], is present with respect to both the guaranteed and variable components of the death benefit,” the IRS concluded that the death benefits payable would be excludable from the gross income of the beneficiary and the owner would not be deemed to be in constructive receipt of the cash value, including increments thereof, under the variable **life insurance** contract prior to actual surrender of the contract.<sup>89</sup>

### **Universal Life**

The most significant of these new products was **universal life insurance** and its variable counterpart, variable **universal life**. The most notable proponent of **universal life** was James C.H. Anderson, whose paper entitled “*The Universal Life Insurance Policy*” was published in November 1975. In that paper, Anderson described **universal life** as “a flexible premium annuity with a monthly renewable term insurance rider.”<sup>90</sup>

Early **universal life** contracts, based on Anderson’s design, were structured as a combination of a term **life insurance** policy and a deferred annuity. In August 1980, the IRS considered a term and annuity combination similar in concept to Anderson’s original **universal life** design. The IRS was presented with a combination term and annuity plan, where the premiums for the **life insurance** coverage were deducted from the net cash value of the annuity on a quarterly basis, and the death benefit of the term insurance, under one of the options available to the policyholder, was reduced each year relative to the increases in the annuity cash value. Citing Revenue Ruling 65-57 (which had applied the principles of *Le Gierse* in determining the excludability of death proceeds under section 101(a)), the IRS concluded that the **life insurance** death benefits were excludable from gross income. However, the IRS also concluded that, even though the product was sold as a single contract under which all premiums were credited to the annuity and the term premiums were deducted as partial withdrawals, the **life insurance** and annuity elements could not be treated together as an endowment policy for tax purposes because they were “clearly set up as a separate annuity contract and insurance policy” under state law.<sup>91</sup> As the death proceeds paid out of the annuity contract were taxed on the gain in the contract, creating a less favorable federal income tax result for the beneficiary than a **life insur-**

excludability of death proceeds under section 101(a)), the IRS concluded that the **life insurance** death benefits were excludable from gross income. However, the IRS also concluded that, even though the product was sold as a single contract under which all premiums were credited to the annuity and the term premiums were deducted as partial withdrawals, the **life insurance** and annuity elements could not be treated together as an endowment policy for tax purposes because they were "clearly set up as a separate annuity contract and insurance policy" under state law.<sup>91</sup> As the death proceeds paid out of the annuity contract were taxed on the gain in the contract, creating a less favorable federal income tax result for the beneficiary than a **life insurance** policy, this design fell out of favor.<sup>92</sup>

### *The Hutton Life Rulings*

With the introduction of a "true" **universal life insurance** contract by E.F. Hutton Life in 1979, and later variable **universal** life, the consumer could purchase a contract with a flexible premium and death benefit treating the cash value as an accumulation fund into which premiums were paid and from which expenses and the cost of insurance were deducted. A number of **life insurance** companies entered the market with **universal** life designs in 1980-1981. In January and February of 1981, the Hutton Life rulings were issued, granting favorable income tax treatment to the death proceeds of a **universal** life plan, holding that such products were to be treated for tax purposes in the same way as the traditional cash value **life insurance** policy.<sup>93</sup> The Hutton Life rulings reached conclusions on three separate issues on which the taxpayer requested rulings.

<sup>89</sup> PLR 8120023 (Feb. 17, 1981).

<sup>90</sup> James C.H. Anderson, *The Universal Life Insurance Policy*, in THE PAPERS OF JAMES C.H. ANDERSON 203, at 211 (1997).

<sup>91</sup> PLR 8047051 (Aug. 27, 1980).

<sup>92</sup> See KENNETH BLACK, JR. AND HAROLD D. SKIPPER, JR., LIFE & HEALTH INSURANCE 115 (13th ed. 2000).

<sup>93</sup> PLR 8116073 (Jan. 23, 1981); PLR 8121074 (Feb. 26, 1981) (clarifying PLR 8116073).

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