Life Assurance & Wealth Transfer

#Success in #Succession : My life. My family. My plans.

E-Book
Life assurance can inspire us to live with freedom from worry, with control and flexibility over our finances. Most importantly, its role as a wealth transfer tool can help us empower the next generation.

When you take out a life assurance policy you basically make a pact. You agree to pay a sum to a life assurance company, specifying who you want to transfer this wealth to and when. In turn, the company promises to pay a benefit on your given date to your beneficiaries.

Life assurance has become essential wealth.

Not just because of the favourable tax treatment it provides when passing on your estate, but also because the assets you transfer into the contract are managed according to an investment strategy that you specify.
Why use Life Assurance for inheritance planning?

Every story is unique. Now more than ever before, individuals are pursuing global lives, seeking opportunities, friendships and collaborations across all four corners of the world.

For many wealth managers of wealth, the complexity caused by international wealth can be difficult and challenging. At OneLife, we believe it should be seen as exciting and inspiring.

Life assurance is an ideal solution for those whose wealth spans borders, due to the high level of customisation and flexibility it provides.
Life assurance offers a gateway to a whole world of investment opportunities. According to the initial amount you have, you can obtain access to a broad range of assets – from equities to bonds, money markets, to unquoted assets, through external and internal funds that can be set-up especially for you.

Life assurance contracts usually offer favourable tax regime. The tax rules that are applicable are the ones of the policyholder’s country of residence. Using a life assurance taken out with a Luxembourg company is tax neutral in Luxembourg during the policy lifetime whatever the country of residence of the policyholder.

We know our clientele is increasingly mobile which is why OneLife’s life assurance meets cross-border requirements in case of relocation to another country. Our experts are on hand to analyse your destination country and all applicable rules so that they can effectively adapt your policy, whilst meeting your expectations.

A life assurance contract with OneLife means you are protected within the Triangle of Security. In case of a default of the assurance company, policyholders of our contracts will have preferential rights over all other creditors on the entire pool of assets invested in the contracts. These assets are segregated into the balance sheet of the assurance company and benefit from a thorough regulatory supervision.
Let us introduce you to three families who have reaped the benefits of a Life Assurance Contract in Luxembourg...

These families have enjoyed life to the fullest with their portable and flexible solutions, allowing them to lead to a carefree, international lifestyle.

Coming from France, Belgium and Finland, they show us how truly essential it is to be fully protected by life assurance.

Meet...
Martin (Age 68) & Sophie (Age 65)
Living in Paris, France

Meet Martin and Sophie...

The golden years, a time to fully embrace and enjoy everything you have worked for. Naturally - you want to be prepared. But when the future is unknown, preparation can be challenging. Establishing a proper plan giving you the right guidance then, is essential.

Martin, a 68-year-old French retiree, made his fortune by utilising his entrepreneurial talent to create and build several successful manufacturing companies. 65-year-old Sophie made a fortune of her own in the financial services industry.

Martin and Sophie met some years ago and quickly bonded over their mutual concern about sustaining normal and happy lives for their children from their previous marriages. They fell in love, as you do, and were married under the marriage contract of the split of assets. They have focused on rebuilding their lives together ever since, and are now beginning to plan for the years ahead.

Subscribing each to a single life assurance policy appointing as beneficiaries the other spouse and their respective children gave them the support and flexibility they needed when planning for their children’s future financial security. In addition, the policy provided them with reassurance that they would be adequately financially prepared in the case either Sophie or Martin passed away.

Martin and Sophie have also set up several different portfolios, including those containing quoted and unquoted assets (such as private equity funds). They have decided that they would like to maintain the management of these portfolios over the long term whilst consolidating them under one life assurance wrapper.
To allow an efficient management of their respective financial assets portfolios.

To permit Martin and Sophie to directly transmit the benefits of their assets to their children from previous marriages.

To offer financial protection for the surviving spouse when the other spouse passes away.
Drafting the beneficiary clause in a life assurance contract is of utmost importance, as it resembles a will and thus will ensure Martin and Sophie’s loved ones receive an inheritance. In drafting this, Martin and Sophie decided the percent of the overall value of the contract they wish to pass on to their children and the surviving spouse, or named beneficiaries.

Given that Martin and Sophie want to keep their portfolio of assets over the long term, they were advised to pay the initial premium by transferring and consolidating their assets into a Special Assurance Fund S.A.F. (Fonds d’Assurance Spécialisé or FAS, in French).

Given their marriage contract, Martin and Sophie will take out each a single life assurance contract appointing as beneficiaries their respective children and the other spouse.
During the lifetime of the policy, there will be no taxation on Martin and Sophie's capitalised income realised under their respective policy.

A Life Assurance contract will ensure that Martin and Sophie's named beneficiaries will all be protected in the future.

Martin and Sophie will be able to plan their wealth transfer strategies ahead so as to ensure all of their children receive money.

Because Martin and Sophie subscribed to the Life Assurance contract before turning 70, their children will receive favourable taxation upon termination of the contract.
THE PEETERS FAMILY

Jules (Age 60) & Martine (Age 62) – now living in Belgium
Their three children – living in Finland, France, and Belgium

Meet Martine and Jules.

Have you ever heard of the saying ‘the world is your oyster’? The Peeters couple lives and breathes this philosophy, and has influenced their next generation into adopting an international lifestyle. As they approach retirement, preparing their children for inheritance is on their minds.

After decades of working in the real estate industry in different countries, Martine and Jules Monet are seeking to move to France. They plan to do so in the next five years and aim for a comfortable retirement. This time horizon has been communicated to their financial advisor in order to prepare a succession plan.

Their eldest daughter Emma, 35 years old, is a successful entrepreneur in Finland, having just recently tapped into the growing Finnish FinTech scene. She is optimistic about future business performance and has plans to expand into mainland Europe.

Florian, their middle child, is an up and coming fashion designer in Paris, France. At the age of 29, he has finally found his path after trying his hand in various other industries.

Their youngest daughter Céline has just received a Bachelors degree in marketing from a top Belgian university. At only 23, she has found herself starting a promising new career in a Fortune 500 company. She is excited with her new job but doesn’t know yet whether she will stay in Belgium or move abroad.

The family owns several portfolios on top of cash, which combined makes up the entirety of their transferable wealth.

To structure their transferable wealth made of several portfolios and cash, Martine’s and Jules’s wealth manager advised them to take out a life assurance contract.
OBJECTIVES FOR THE PEETERS FAMILY

To allow Martine and Jules to directly transmit their wealth to their three children.

To reduce taxation that can be heavy in a cross-border succession.

To offer protection for the surviving spouse.

To have solutions when Martine and Jules relocate to France in the near future.
### Attention Points

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<tr>
<th>Category</th>
<th>Description</th>
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<tr>
<td><strong>Tax Efficiency</strong></td>
<td>When considering future relocation, a tax and legal review will be done to determine the appropriate planning considering the new residency country of the policyholder as well as the residency country of each beneficiary.</td>
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<td><strong>Joint Subscription</strong></td>
<td>The contract will be settled at the death of the second spouse in order to protect the surviving spouse.</td>
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<td><strong>Future Relocation</strong></td>
<td>A thorough analysis will need to be undertaken in order to comply with the local rules at that moment.</td>
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<tr>
<td><strong>Country Specific Regulations</strong></td>
<td>Comprehensive knowledge of international tax framework is required to define the best approach per country.</td>
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The family's assets can be consolidated into one contract, making it more convenient for the policyholder and beneficiaries.

Martine and Jules will be able to transmit their wealth to their three children, or any other beneficiaries, as desired.

The family will only be taxed according to have their country of residence.

For a couple relocating in the future, it is beneficial to a contract which can remain cross-border compliant.
Timo (Age 70) & Anna (Age 62)
Living in Helsinki, Finland

Meet Anna and Timo.

It’s been five years since Timo Tuominen sold his electronics business to a major multi-national conglomerate and two since he decided to retire. He has found it challenging having so much time on his hands but has been trying to keep busy by learning more about how to manage the proceeds of the sale, and pursue his interests in renewable energy start-ups.

His wife, Anna, who stopped working in her early thirties to raise their two sons, Tuomas and Joonas. Tuomas lives further along the Finnish coast in Turku, where he works in the biotechnology industry. He is currently single but has an active social life and enjoys playing sports.

Joonas moved to Stockholm almost a decade ago to pursue his academic interests. Sadly, Joonas was widowed last year and is struggling to raise his two young children – Olivia and Elias, while working as a professor at the University.

It’s been a time of great change for the Tuominen family and Anna is eager to move to Stockholm to help Joonas. Now more than ever, Timo is thinking about the long term security of his family. He wants to devise an inheritance strategy that allows him to retain control of the management of his wealth and invest in the environmental causes he cares about.

The life assurance contract fits his expectations.
OBJECTIVES FOR THE TUOMINEN FAMILY

To allow Timo to pass his wealth to Tuomas and Joonas directly.

To sufficiently protect Anna should Timo die first.

Timo wants to retain self-management over some of his investments and to maintain his current asset manager.

To enable Timo to invest in unlisted companies that are tackling the environmental issues he cares about.

To ensure that Timo’s investments and succession plan are tax compliant in the relevant jurisdictions.
To meet Timo's investment interests, there will be setting up of an insurance policy with multiple dedicated funds investing in unquoted assets (to invest in start-ups that pass the assessment of the insurer, risk assessor and due diligence) and in more traditional assets.

Timo has the possibility to maintain his current Finnish asset manager and perhaps engage a new Swedish asset manager. While most will be under discretionary management, part of the portfolio will have a self-management option for Timo.

Given that Timo and Anna intend to move to Sweden, the life assurance contract can be customised to harness the advantages and exemptions of Swedish tax law on surrender and inheritance.

At the end of the contract, the inheritance tax depends on the domicile of both Timo and the beneficiaries Tuomas and Joonas. As a starting point Tuomas is taxed in Finland because he is domiciled in Finland, but Tuomas may benefit from the Finnish inheritance tax reliefs applicable to life assurance. Provided that Timo is domiciled in Sweden, Joonas may benefit from the Swedish tax regime where no inheritance tax is levied.
BENEFITS FOR THE TUOMINEN FAMILY

- Full customisation of the solution (compared to a more standard domestic Finnish solution).
- Active portfolio management of listed assets combined with possibility to multiple asset managers and investments in unlisted start-up companies.
- Compliant taxation during the life of the contract in relevant jurisdictions and possibility to benefit from a favourable tax regimes applicable to life assurance.
- Transmission of wealth to beneficiaries in an efficient way.
Inheritance planning is key to protect your wealth and make sure it is transmitted to the beneficiaries you have appointed.

Because your personal situation matters, it is essential to raise the right questions.
All this sounds complicated? Well, sometimes, it is. But that should not bother you.

We are here because we want to get to know the real you, your real wants, and your hopes. OneLife helps you to manage and transfer wealth flexibly, securely and efficiently.

We are here because we want to help you live your OneLife.
The OneLife Company S.A. is a leading provider of cross-border wealth management solutions, through the use of private placement and unit-linked life insurance products, standing for excellence, transparency and compliance. We are committed to providing our partners with first-class service and solutions to meet the increasingly complex needs of their wealthy clients in terms of financial planning and wealth structuring.

For more information, visit www.onelife.eu.com

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