

Luxembourg life insurance policy for residents in the Nordic countries : why subscribe ?

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www.baloise-international.lu/contact
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In addition to Luxembourg's stability, politically as well economically, there are many advantages for a resident of a Nordic country to take out a life insurance policy in Luxembourg. Indeed, as a world-renowned financial centre, Luxembourg offers other interesting advantages, particularly when it comes to organise and manage one's wealth or plan one's succession. For both such purposes, Luxembourg life insurance policy may prove itself a most useful tool to prudent individual.



An attractive tax system

Any policyholder (or beneficiary) who is not a Luxembourg resident entering into a Luxembourg life insurance policy shall benefit from tax neutrality in Luxembourg, whether during the life of the policy or in the event of termination of the contract (upon the realisation of the insured event, the date of full surrender of the policy or the pre-determined term date, if any). This means that no tax will be due in Luxembourg but only in the insured person's country of residence.

Offering a unique asset protection

Thanks to the so-called "Triangle of security" system of protection, a segregation of the underlying assets is ensured by involving the Commissariat aux Assurances (Luxembourg supervisory authority for the insurance sector), the insurance company and the custodian bank.

To keep it simple, this means that the assets representing the insurance commitments of the insurance company will be treated as a segregated portfolio held and managed separately from its own assets.

Besides, in the event of bankruptcy of the insurance company, the policyholders (or beneficiaries as the case may be) independently from the country where they are resident, have a claim over the life insurance policy's underlying assets in priority to any other creditor of the insurance company. This is a unique mechanism referred to as the « super-privilege ».

Allowing great diversification

The Luxembourg life insurance policy gives the access to a wide range of assets which allows it to be a very attractive tool, thanks to such investment flexibility.

Indeed, Luxembourg life insurance policy allows the policyholder to invest in "classic" equity/bond funds, derivatives, real estate funds or also private equity funds.

However, Luxembourg insurance companies are always eager to adapt these investments to the current concerns of their clients. For this very reason, Baloise decided in early December 2020 to launch its own ESG collective investment funds.

Beyond the broad diversity of the underlying assets, the Luxembourg life insurance policy also enables intergenerational and international (or cross-border) planning thanks to the Dedicated Umbrella Fund, as an example, which is particularly used in the event that policyholders living in different countries connected by marriage or close family ties (up to the third degree of kinship) in a direct or collateral line (i.e a father is living in Finland and his 2 children are French and Portuguese resident), would like to link their policies to a single Dedicated Internal Fund.

And all of which enhanced by tailor-made products

In order to meet the expectations of our customers, our range of products makes it possible to give priority to either investment or wealth planning and even to combine both strategies.

As an example, Baloise is able to meet the various expectations of Finnish resident by offering:

- a classic unit-linked life insurance policy or,

- a life insurance policy whose major element will be an increased death cover,
- and also a pure risk insurance product offered to individuals (High Death Benefit) and to legal entities (Key Man Insurance).

So many products the highlight of which is certainly their adaptability, particularly in the event of a transfer of the policyholder's residence in another country, whether for personal or professional reasons.

If you would like to know more about our products or about the taxation applicable in the event of a Luxembourg contract being taken out by a resident of a Nordic country, please do not hesitate to contact us.

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