

# *The "Insurance Wrapper", an effective solution to protect my financial assets.*

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Imagine an investment portfolio made up investment funds, securities, shares, bonds, listed and non-listed investments. It is held by a custodian, managed by a fund manager, owned by an insurance company, often with independent financial advisors with the involvement of a bank or asset managers.

The principle of the Insurance Wrapper is to protect your investments within a legal framework. Generally in Europe, the most advantageous way of doing this, is by taking out a single premium capital life insurance policy.

## [An international legal framework](#)

### [Luxembourg's fiscal neutrality](#)

For non-resident subscribers, Luxembourg is tax neutral. In most European countries, the life insurance legal framework has numerous tax advantages for inheritance taxes, income and capital gains. However, life insurance legislation is not harmonised between countries (see country specific sheets). The offshore bond offered by the luxembourg is a portable investment which is compliant in many jurisdictions.

### [Nomadic applicable law in Luxembourg legislation](#)

The principle of the Insurance Wrapper also provides an evolving protection when clients change their tax residence. It is possible to subscribe a life insurance policy with a Luxembourg branch, which is, however, covered by the laws of another country. Thus, the subscriber of a Luxembourg policy can, as they change tax residence, change the applicable law of their life insurance policy. Thus it is not necessary to cancel an insurance policy subscribed previously in another country where the subscriber was previously resident in order to benefit from the advantages of the new country of residence. Closing a policy normally means the loss of advantages linked to the length of the contract. The portability of Luxembourg life insurance policies has made Luxembourg the number one choice for people who have high geographic mobility.

[Discover the advantages of Luxembourg life insurances .../...](#)

Attention: providing a general overview could result in an oversimplification of this subject. Therefore, it is essential to consult a certified professional.

## High protection of financial assets

### A legal framework providing high protection

The assets of subscribers of Luxembourg life insurance policies are separated from the assets of the insurance company. The CAA (Commissariat luxembourgeois Aux Assurances – Luxembourg Insurance Commission) lays down that these assets be entrusted to an independent depositary bank, authorised by the CAA. This is how the subscriber's and the insurance company's assets are separated. The CAA is the insurance regulator in Luxembourg. Insurance companies are obliged to have a guarantee fund, large solvency margins and abide by strict investment rules. Thus investments held in a Luxembourg life insurance policy are protected in the case of bankruptcy of the insurance company.

### Luxembourg's expertise in life insurance and asset management

- A life insurance contract can be in any major currency (Euro, USD, Pound Sterling, Swiss Franc, Yen...) and can also comprise several sub-accounts in different currencies.
- On account of the open architecture of the policies, the policyholder can access all their investment funds with an ISIN (International Securities Identification) number.
- There is access to guaranteed Euro funds.
- Policy bonuses can be paid in cash or as a transfer of securities.
- The subscriptions can be broken up.
- There is total freedom to nominate the beneficiaries of your choice, for the proportions you choose, in the case of first and second death.
- Finally, for subscriptions higher than €2.5M it is possible to create dedicated funds. The dedicated funds can invest in all forms of investment vehicles, listed or non-listed, shares of SCIs (civil companies set up for property investments), holding companies, family holdings or family partnerships.

The Insurance Wrapper offered by Luxembourg is one of the most powerful means currently available on the market to optimise the assets of our clients.

The protection of our clients' assets is strengthened.

Taxation and estate planning are optimised.

Finally, Luxembourg's financial expertise is tried and tested.

Anthony & Cie's advisors are available to discuss your or your clients' assets with you and suggest an appropriate solution.

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