

# Why take out insurance in Luxembourg?



## Financial centre and flexible legal environment

The Grand-Duchy of Luxembourg is one of the most important financial centres in the world and is renowned for its stable social, political and economic situation. International finance is a main pillar of the economy and the development of Luxembourg is actively encouraged by its favourable legal and tax regimes, and competitive operating costs, particularly in terms of income tax and national insurance.

## Tax efficient environment

Policyholders and beneficiaries are not liable for taxes in Luxembourg on insurance contract benefits. Nevertheless, insurance premiums and benefits may be subject to taxes in their home country and the onus is on the individual to carry out all necessary declarations.

## Financial security and confidentiality

The country's reputation is synonymous with security and banking confidentiality and the country pursues active measures to fight money laundering. The financial security is guaranteed by its omnipresent regulatory bodies: the C.A.A. (Commissariat aux Assurances) for the insurance sector, and the C.S.S.F. (Commission de Surveillance du Secteur Financier) for the bank industry.

Luxembourg law provides complete protection to life insurance policyholders. All clients' assets must be held by an independent custodian bank approved by the Luxembourg state regulator. This regime ensures the legal separation of clients' assets from the insurance company's shareholders and creditors.

## Skills and creativity

Luxembourg is also an increasingly sophisticated financial centre, with a highly skilled, professional, and multilingual workforce. While the flexible legal environment provides an atmosphere of free competition, professionals of the financial and insurance sectors combine their skills and know how to design highly innovative and personalised solutions for demanding customers. Luxembourg finance and insurance are continuously growing in maturity, innovation and adaptability.

- Financial centre
- Favourable legal and tax environment
- Financial security and confidentiality
- Highly skilled, professional and multilingual workforce
- Innovation and adaptability