



## Privilege in the event of bankruptcy and law of succession relating to life insurance policies

Mr Bernasconi has held an endowment policy for a number of years (unrestricted retirement provision), which he took out to provide security for his family, and he has the following question:

Following a number of failed investments in real estate and the stock market, I have acquired debts and the payment summonses are landing on my doorstep.

I want to know that the savings I have accumulated to date will remain available to my family.

Luca Decarli, specialised in private and SME clients at ASSIDU SA replies:

Mr Bernasconi has named his wife and children as beneficiaries.

The Insurance Contract Act (ICA) stipulates the following:

### Privilege in the event of bankruptcy/certificate of loss:

If the beneficiaries are the spouse, registered partner or offspring of the policyholder, the entitlement of the beneficiary and policyholder are not subject, apart from any rights of lien, to the execution of any claims by creditors against the policyholder.

### Privilege under law of succession:

If the beneficiaries are offspring with a claim to the succession, the spouse or registered partner, parents, grandparents, brothers or sisters, the insurance is devolved to them even if they repudiate the succession.

The family of Mr Bernasconi can therefore rely on their financial security to the extent that their insurance benefits are beyond the creditors' reach.

Our advisors are at your service to provide you with the best possible advice.