



# Legacy Planning



## Don't let your legacy turn into tiresome probate process and painful family conflicts.

While you are building wealth upon years of hard work, you may also want to make sure your loved ones can enjoy the most out of the fruit of your success. That's why it is vital to plan ahead to save your family as much trouble and grief as possible.



### Without proper legacy planning

Your family may face:

- A time-consuming probate process
- Potential conflicts among family members
- Potential claims from creditors

Your assets:

- May be distributed against your wishes

### Possible solution

Zurich helps address your legacy planning needs with life insurance to maximize the benefits of your assets and ensure your loved ones will receive them according to your plans.



### How it works?

# 1

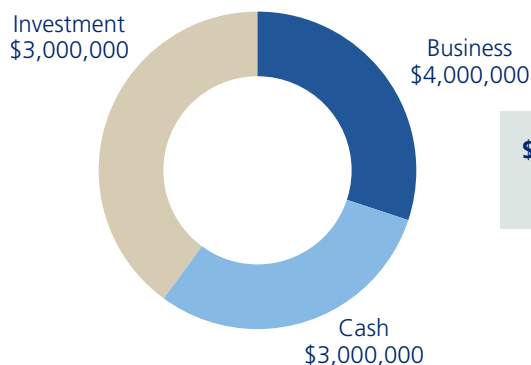
## Legacy planning with an insurance policy

Example:

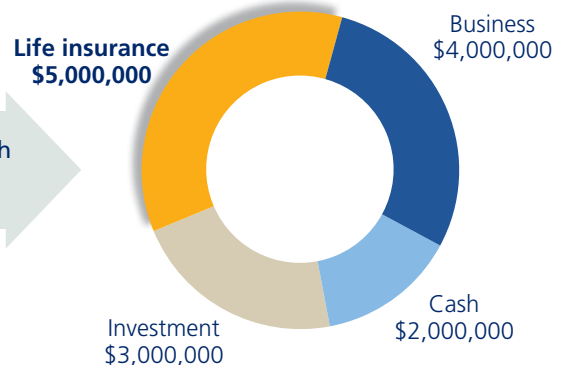
With HKD10 million assets, you may use HKD1 million to buy a whole life insurance policy with a sum assured of HKD5 million which helps maximize the benefit from your assets.

By taking out a life policy, the total asset to be inherited by your loved ones will be enhanced to HKD14 million. The sum insured will be paid immediately upon your death without the need to go through a prolonged probate process.

**Without insurance policy:**



**With insurance policy\*:**



\$1 million of cash is used to buy a life policy

\* Assuming that all other assets do not change in value over time.



## How it works? (Cont.)

# 1

## Legacy planning with an insurance policy (Cont.)

### How it helps?

- ✓ Ensure your loved ones inherit your legacy the way you want it to be
- ✓ Provide immediate financial protection to your family
- ✓ Enhance the value of your legacy
- ✓ Avoid family conflicts through estate equalization
- ✓ More funds will be available for your retirement
- ✓ Diversify your financial portfolio and ensure immediate liquidity for your beneficiaries

# 2

## Estate equalization

Life insurance is a simple way to equalize inheritance and avoid family conflict. For example, if you plan to leave a large portion of estate to your first child, you can name your second child as the beneficiary of a life policy with the sum insured equal to the estate you plan to leave to the first child.



## Case study

Mr Lau is a successful entrepreneur.

### Company profile



#### Lau's Logistics

Has annual revenue of HKD30 million  
With several multinational brands as its major customers

### Mr Lau's profile



Mr Lau, aged 55  
Founder

Co-founded a medium-sized logistics company with his partners back in 1996  
The value of his shareholding is HKD10 million

Mr Lau has a son and a daughter.

### Mr Lau's son



Eric, aged 30

Actively involved in running his father's business

### Mr Lau's daughter



Mandy, aged 28

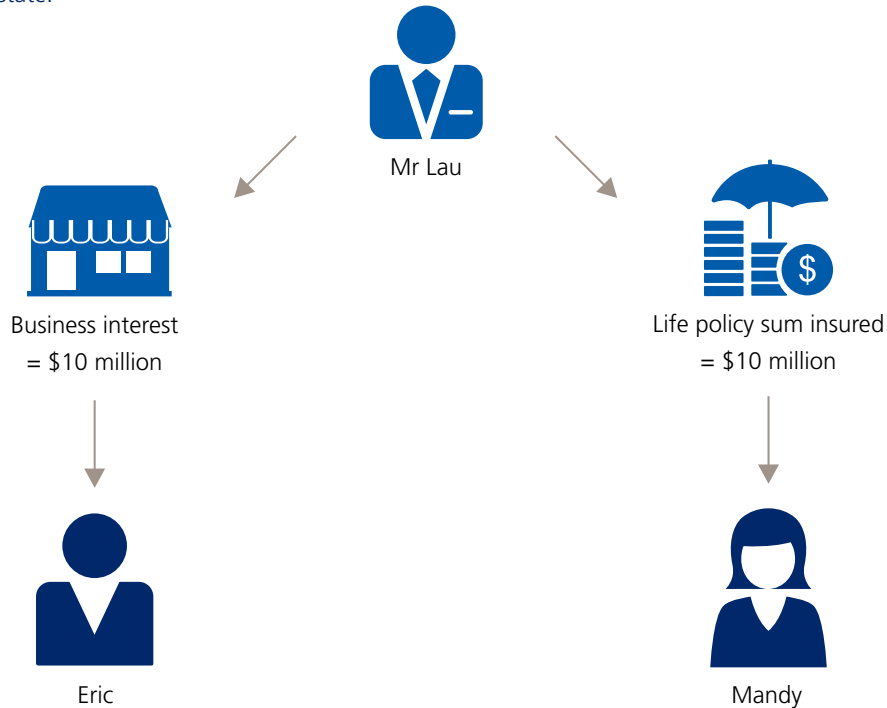
An aspiring fashion designer

Mr Lau wants Eric to be the heir of his business because Mandy will pursue her own career rather than running his logistics company, but he also wants Mandy to have an equitable share of his estate.



## Case study (Cont.)

Mr Lau decides that Eric will be the heir to his business interest, while naming Mandy as the beneficiary of a life policy with a sum insured of HKD10 million. In the unfortunate event of Mr Lau's death, both his son and daughter will have a fair share of his estate.



### Important information

Zurich International Life is a business name of Zurich International Life Limited.

Zurich International Life Limited is fully authorised under the Isle of Man Insurance Act 2008 and is regulated by the Isle of Man Financial Services Authority which ensures that the company has sound and professional management and provision has been made to protect policy owners.

For life assurance companies authorised in the Isle of Man, the Isle of Man's Life Assurance (Compensation of Policyholders) Regulations 1991, ensure that in the event of a life assurance company being unable to meet its liabilities to its policy owners, up to 90% of the liability to the protected policy owners will be met.

The protection only applies to the solvency of Zurich International Life Limited and does not extend to protecting the value of the assets held within any unit-linked funds linked to your policy.

Not for sale to residents or nationals of the United States including any United States federally controlled territory.

Calls may be recorded or monitored in order to offer additional security, resolve complaints and for training, administrative and quality purposes.

Zurich International Life Limited provides life assurance, investment and protection products and is authorised by the Isle of Man Financial Services Authority.

Registered in the Isle of Man number 20126C.

Registered office: 43-51 Athol Street, Douglas, Isle of Man, IM99 1EF, British Isles  
Telephone: +44 1624 662266      Telefax: +44 1624 662038

Hong Kong office: 25-26/F, One Island East, 18 Westlands Road, Island East, Hong Kong  
Telephone: +852 3405 7150      Telefax: +852 3405 7268

[www.zurich.com.hk](http://www.zurich.com.hk)