

ONE
LIFE



EUROPEAN
PASSPORT

FOR LIFE ASSURANCE INTERMEDIARIES

CROSS-BORDER

About the European Passport

What is it about?

Article 6 of the European Insurance Distribution Directive (IDD) establishes the principle of the **European Passport, authorising an intermediary** registered in a Register in one of the countries of the European Economic Area (EEA) **to practice in another country under the freedom to provide services (FPS) or freedom of establishment (FE) regime.**

For who?

All insurance intermediaries wishing to exercise their activity outside the national territory are concerned.

In which country is the European passport applicable?

- **EU countries** : Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Estonia, Spain, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Czech Republic, Romania, United Kingdom *, Slovakia, Slovenia, Sweden, Gibraltar
- **EEA countries** : EU countries + Iceland, Liechtenstein and Norway

Which countries are not covered by this system?

The European Passport does not authorise intermediaries to exercise their activity in non-EU or EEA countries, namely Switzerland, Monaco and all other countries in the world.

To be able to distribute in these countries, there is an obligation to set up in these states and respect the conditions of access and exercise of the intermediation activity, according to local rules.

How to obtain the European Passport?

- Intermediaries registered in the Register of Insurance Intermediaries of one EEA country **inform their local authority of their intention to practice in FPS or FE** in one or more EEA countries
- Within one month of this notification, the **local authority communicates to the competent authorities of the target country** the intention of the intermediary and concomitantly informs the intermediary concerned
- As soon as the authority informs the broker that the local authority has been notified of this communication, **it may start its activities** in the target country unless the authority raises reservations

Note : Obtaining a passport is free

Why is obtaining a passport essential in the event of international activity?

An intermediary carrying out his activity in another country without official authorisation guaranteed by the European Passport could incur, in the event of litigation, a nullity of the contract. The information letter from the authority will constitute proof of the authorisation to be sent to OneLife as a European passport in the target market. OneLife reserves the right to refuse any subscription made in a country where the intermediary is not or is not yet authorised to operate.

Jurisprudence in matters of LPS and life insurance: In November 1991, a couple residing in France subscribed a mortgage offer with Commerz Credit Bank as well as a life insurance which it concluded with Deutscher Lloyd. In 1994, the couple stopped the reimbursements and assigned the two establishments in particular with a view to breaking the two contracts. They based their cancellation request on the lack of advice from these providers. The Colmar Court of Appeal declared the life insurance contract null and void after finding that the German insurer did not have a license. The judgment was confirmed by the Court of Cassation (Civ., 2e, June 14, 2007, n° 05-21.166, n° 966 FS-P + B; Generali Lloyd against Jacky and Solange B.).

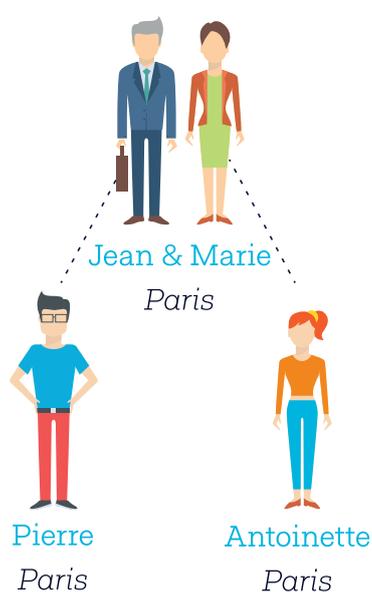
* The "European Passport" regime will be in effect until December 31, 2020. Continuity of the regime to be confirmed in 2021.

Looking ahead: compliance and portability of international contracts

In order to best serve its clients, it is important for an intermediary to rely on a company capable of developing **compliant and portable life assurance contracts** in the event of the client's expatriation

- OneLife is a Luxembourg life assurance company developing **contracts adapted to local regulatory specificities in 9 European markets**: Belgium, Denmark, Spain, Finland, France, Luxembourg, Portugal, Sweden and the United Kingdom
- OneLife benefits from **international expertise to ensure the portability of the contract in the event of the client's expatriation** to another European country or certain other international markets, thus guaranteeing the protection of the interests of the subscriber as well as his beneficiaries. Please consult your usual representative within OneLife to confirm the geographic coverage for a specific jurisdiction

Case study: Dupont Family



Context

Status

Married, two children

Annual revenue

Euro 300,000

Main residence

Apartment in Paris

Secondary residence

House in Normandy

Available liquidity

Euro 5 million

Jean has agreed to an expatriation programme within his company: head of the Luxembourg subsidiary for a period of five years, then of the Spanish subsidiary for the same period before returning to France and retiring.

Need	Solution
<p>Tax-efficient investment solution in France, given their future relocation and return to France, and portable in their countries of expatriation.</p>	<p>Joint subscription of a life insurance contract under French law, on their 2 heads, against the payment of a premium of Euro 5 million.</p> <p>Subscribers will opt for minimum death cover upon issue.</p> <p>The contract will be invested in an internal dedicated fund set up by the insurer, dedicated to the policyholder and managed by a manager appointed by the insurer on the proposal of the underwriter.</p>

Attention points

Portability

OneLife will make sure that the policy is compliant with the local regulations of each country of expatriation assessed on issuance and during the lifetime of the policy. In Luxembourg the policy, subject to French law, is portable as is. In Spain the policy, which must be compliant as soon as it is signed, is portable provided that the collective discretionary management of the policy is ensured from the time it is taken out, without the policyholders being able to modify either the strategy or the manager.

Taxation Advantages

Portable solution

Legal and fiscal efficiency in each country of expatriation

Advantageous tax solution

Deferred taxation of the portfolio income until future surrender and preferential tax regime for surrenders applicable in France and in Luxembourg

The policyholders will no longer be able to intervene in the management of the internal dedicated fund, under penalty of the policy being requalified for tax purposes and the preferential tax regime being jeopardised in each of the policyholder's countries of residence.

Financial management

In view of the Spanish taxation constraints, the couple will need to choose the **policy's asset manager and investment strategy carefully when taking out the policy** since it must be maintained in its original state throughout the lifetime of the policy.

Flexible solution

Access to the capital and payment of additional premiums at any time

Tailor-made management solution

Management of the policy by a manager appointed by the policyholders in compliance with an investment policy determined according to their profile

About OneLife

OneLife exists to overturn conventional attitudes to life assurance. As a specialist in this area with close to 30 years' experience, we develop cross-border financial planning solutions for wealthy clients across Europe and beyond.

OneLife is a member of APICIL Group, the fourth largest social protection group in France, engaged in health and life insurance, pensions, savings products and related financial services.

More information on onelife.eu.com

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