

Private insurance and the challenge of succession planning 2.0.

The largest intergenerational wealth transfer in Italian history is approaching. What is changing compared to the past and what are the new needs of those involved? Octium shares its own insight regarding the matter.

Over the course of the next twenty years, **around EUR 800 billion will form part of the largest generational shift in Italian history**: the transferable, real estate and corporate assets that today belong to the silent generation and to the baby boomers will flow into the hands of millennials. This is according to research by **Finer**, an Italian think-tank that deals with financial market analysis and research. **To understand how this will impact the transfer of major assets, we interviewed the experts of OCTIUM Group.**

Intergenerational transfer has always been a delicate process for families with large assets and for the professionals assisting them. What has changed compared to the past?

"Compared to their parents and grandparents, **high net worth individuals (HNWIs) who have to pass on their assets to children and grandchildren are today more aware of the importance of estate planning.** Not only to prevent assets from becoming a cause of conflict, but also to ensure that what they have built up and accumulated with time and effort can be effectively preserved. **The pandemic experience has reinforced this awareness,** prompting wealthy families to look for instruments that can provide optimal savings management, aiming at tax optimisation and asset protection."

How have the needs of the involved stakeholders evolved?

"**Firstly, millennials are the first generation of digital natives. The new HNWIs are looking for hybrid solutions and services that integrate the physical and digital worlds, in order to respond to their needs at any time and in any place.** At Octium, we have, therefore, developed an innovative approach, digitizing our services and making our relationship with clients and business partners more efficient. But that's not all, **the new generations have shown themselves to be very attentive to the major issues of our society, from the fight against inequality to climate change,** choosing and evaluating the professionals in our sector also in the light of their commitment in these areas. For this reason, **focusing solely on financial performance is no longer sufficient,** which is why we have adapted our operations and coordinated activities with our partners in such a way as to comply with environmental, social and governance (ESG) sustainability criteria."

Until now, private insurance has played an important role in estate planning strategies. In light of these new needs, how can private insurance tools help UHNWI clients?

"Faced with a rapidly evolving society and scenarios that can change even abruptly, think of the effects of pandemics and new geopolitical tensions, **families with large assets seek flexible instruments capable of protecting their wealth.** Among the various solutions, **unit-linked life insurance policies stand out:** the sum insured represents, by law, a separate asset from that of the policyholder, detached from their assets. At the same time, unit-linked policies offer important **tax advantages, starting with an exemption from inheritance tax.** Furthermore, not only are these

policies secure, but also flexible: the **portability of the policies, for example, allows the beneficiary to enjoy the insured capital easily and promptly wherever he or she may be**".

A final challenge seems to be posed by the rapid change in society, especially with regard to new family models. HNW clients are increasingly demanding flexibility and security. How can private insurance serve these new needs?

"Society often evolves faster than the law, with important consequences also for the wealth transmission dynamics of many families. **Life insurance policies can provide an important help:** thanks to the **free choice of beneficiary**, the policyholder can be sure of allocating part of their wealth to the person or persons of their choice. Moreover, the **sum assured does not form part of the insured person's estate, therefore beneficiaries can get easily hold of the assets, regardless of succession events.**"

Antonio Murtas - [We Wealth](#)

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