

# A heightened role for life insurance in wealth protection

*Wealth in Asia is changing, but the fundamental need to safeguard it for future generations remains, says Damiaan Jacobovits de Szeged of Transamerica Life (Bermuda) Ltd. (Transamerica Life Bermuda).*

Wealth in Asia is changing. Not only is it expected to surpass North America as the world's wealthiest region in 2016, but the nature of the wealth being created, and the people driving it, continue to evolve.

While China and India continue to stand out as key participants in this growth story, HNW individuals in other fast-

"A 2013 Private Banker International report estimated that more than 80% of Asian businesses are family owned, and approximately 80% of wealth in the region, which has been created by first-generation entrepreneurs, will be passed on to future generations in the coming 15 years," says Damiaan Jacobovits de Szeged, chief executive officer of Transamerica Life Bermuda and board



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growing markets in Asia, including Taiwan, Hong Kong, Indonesia, Thailand and Malaysia, have become drivers of wealth with a record USD15.8 trillion of assets.

member of Aegon THTF Life Insurance, headquartered in Shanghai.

Many in this new generation, as well as emerging young entrepreneurs are well-

educated, he explains. And they have an international outlook on business. “They will have vastly different needs and face different risks when looking

to safeguard their wealth legacies and that of their businesses,” says Jacobovits de Szeged.

### A SHARED LEGACY

The concept of wealth is a multi-faceted one. It is measured not solely by one’s assets or the lifestyle these assets afford, but also by the wealth legacy that is shared with loved ones and future generations.

Even more important, adds Jacobovits de Szeged, particularly as one ages, is the peace of mind that a legacy plan has been established from which loved ones can enjoy the benefits; benefits not limited to financial assets alone, but also values, memories and philanthropic efforts.

options are available to ensure their wealth and business success live on with minimal complications.

In the case of HNW individuals in particular, the bigger the deceased’s estate the more complicated things are likely to become upon his or her passing.

This is a result of lawyers, frozen assets and all other legal issues that abound following a death.

“The legal wrangling can often take many years to sort out,” says Jacobovits de Szeged. “With a life insurance policy that pays out upon death the money is generally readily accessible if you’ve designated a named beneficiary. In this way it may serve as a real liquidity tool

### MOVING INTO THE DIGITAL AGE

As the new generation of wealthy investors emerges, Jacobovits de Szeged believes that life insurance providers must adapt to the forces of change brought about by the transition from traditional to digital models.

“The fundamental need to protect wealth has not changed,” he says.

“But partners and end-customers increasingly expect to interact with service providers and their products via digital channels, and the prevalence of digital information has further heightened consumer expectations.”

Moving forward, the digital era isn’t only defined by distribution channels. It’s also creating new efficiencies when applied to internal processes and data analytics, he adds.

This leads to an improved decision-making process and ultimately, better outcomes for customers.

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### SAFEGUARDING GENERATIONS OF WEALTH

The forces of change currently facing the life insurance industry, both in terms of technology advancements and the changing needs of HNW individuals, require a transformation in the way providers do business to ensure they keep up with consumer demand.

“The mounting challenges facing family wealth – including ensuring a smooth transition of wealth, preventing family conflict, and the increasing internationalisation of assets – remain best served by life insurance,” explains Jacobovits de Szeged, “which is fundamentally about safeguarding wealth and preserving the hard-earned assets for future generations.” ■

Life insurance is an effective and flexible tool within the broader wealth planning toolbox that plays a key role in ensuring HNW individuals have that peace of mind, he explains.

“It also makes them feel confident that in the event of unforeseen circumstances, their families won’t be financially burdened.”

### SMOOTH TRANSITION OF WEALTH

As family businesses make provisions for succession planning, Jacobovits de Szeged says it is vital they consider how best to transfer their assets and what

to straddle this transitional period of uncertainty.”

Transamerica Life Bermuda, for example, accommodates these specific needs of HNW clients by carefully engineering universal life insurance plans to offer life protection plus allow wealth accumulation and preservation.

For instance, a HNW individual could use part of his/her wealth to purchase a Transamerica Life Bermuda universal life plan. Upon death, one would benefit from an increase in the value of his/her total estate, and the re-allocation of estate according to one’s specific needs.