

MASSIMILIANO SILLA

MULTI FAMILY OFFICE

Understanding **life insurance.**

The pure risk that costs one per mille, the gestioni separate and unit-linked policies with their true costs, the privileges with their limits: telling protection apart from savings in disguise. An independent guide for whoever signs.

PROTECT INVEST TRANSMIT

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WHY THIS GUIDE

Three jobs, **explained properly.**

Italian families entrust an enormous share of their savings to life policies — and almost nobody could say what they have signed. Under the same phrase live the most efficient contract in personal finance — pure risk, which protects an entire family for the price of one dinner a month — and some of the most expensive products ever sold to savers. Telling one from the other requires no degree: it requires a map.

This guide builds that map with the method of the series: the foundations — the three jobs of a policy, the map of the classes, term life insurance with its numbers, the gestione separata with the bonnet open —, the contract from the inside — unit-linked policies, the costs layer by layer, the civil-law and tax privileges with their true limits, the triangle of the roles — and informed use: the numbers on realistic cases, the risks mapped, the alternative construction and the organic tax picture.

It is an independent guide: it neither sells policies nor demonises them, and when a product does its jobs badly, it says so with numbers. It provides the foundations — the ones every signer should have before the meeting, not after.

HOW TO USE THIS GUIDE

- **It is navigable.** From the contents you jump to a chapter in one click; the page number at the foot always leads back to the contents.
- **«Key takeaways»,** at the end of each chapter, sums up the essential points in a few lines.
- **The «In plain words» boxes** translate the most technical concepts into everyday analogies.
- **The closing glossary** gathers all the technical terms: when a term does not add up, the answer is there.

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Three jobs, **in six numbers.**

3 jobs

Protect, invest, transmit: every proposal must be traced back to the job that is needed — and priced on that job.

≈ 1‰

The annual cost of pure risk for a healthy forty-year-old: €500,000 of capital for the price of one dinner a month.

2–3.5%

The annual cost drag of network unit-linked policies: compounded for twenty years, it decides more than any market.

0.2%

The annual stamp duty that Class III pays and Class I does not: a silent exemption that compounds over time.

€ 530

The pure-risk premium deductible at 19% each year (€1,291 for long-term care): tax as the ally of protection.

10 years

The prescription after which a forgotten policy ends in the dormant-accounts fund: beneficiaries must know they are such.

Sources: codice civile and insurance code, L. 190/2014, PRIIPs/IDD rules, market practice; rules as at September 2026. Indicative values. Premiums depend on age, health and contract terms.

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PART ONE · CHAPTERS 1–4

The **foundations.**

The three jobs of a policy and the map of the classes; pure risk with its surprising numbers — and the gestione separata with the bonnet open, at the true price of calm.

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01 Three jobs, **one word.**

«Life insurance» is a single phrase that covers three different jobs: protecting those who remain, growing a capital sum, passing it on to the right people. Some contracts do one job and do it well; others promise all three at once, at a steep price. This chapter hands the reader the tool that governs the entire guide: the question «which job am I buying?» — to be asked before every signature.

1.1 The first job: protecting (demographic risk)

The original job of life insurance is to pay **if something happens to a life**: a capital sum to the family if the insured dies, an income if they lose their self-sufficiency, a capital sum if they survive to a given date (the «life» event, now rare as a pure cover). This is **demographic risk**: the company pools the premiums of many and pays the few to whom the event happens. Here the policy is not an investment and owes no return: it is the purchase of a **conditional certainty** — if I am no longer here, the mortgage is extinguished, the children finish their studies, the household keeps its footing. The price of that certainty is surprisingly low as long as health is good and age is not advanced: chapter 3 will show the numbers.

1.2 The second and third jobs: investing and transmitting

Around the insurance core, the industry has built contracts in which the premium buys no protection but **is invested**: in the gestioni separate of Class I (ramo I) — segregated with-profits funds accounted at historic cost — or in the funds of Class III unit-linked policies. Here the policy is a **financial container** — with tax and civil-law rules of its own — and must be judged the way every investment is judged: what is inside, what it costs, what it returns net. The third job is the finest: **transmitting**. The policy pays its designated beneficiaries outside the estate, with privileges that chapter 7 will examine up close — which is why it appears in almost every serious wealth plan.

The critical point of the whole subject lies in the **tangle**: many products blend the three jobs in proportions the client never sees. An endowment-style «mixed» policy with a dominant financial component is an investment wearing a postage stamp of insurance; a unit-linked policy without genuine

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demographic risk is — the courts now say so too — a financial product dressed as a policy, which can lose along the way precisely the privileges it was bought for. This guide will call things by their name, chapter by chapter.

> IN PLAIN WORDS
>
> The phrase «life insurance» is like the word «vehicle»: it covers the ambulance, the delivery van and the sports car. Nobody buys «a vehicle» — they buy the machine for a purpose. The first mistake in this field is buying «a policy» without having decided which of the three jobs is actually needed.

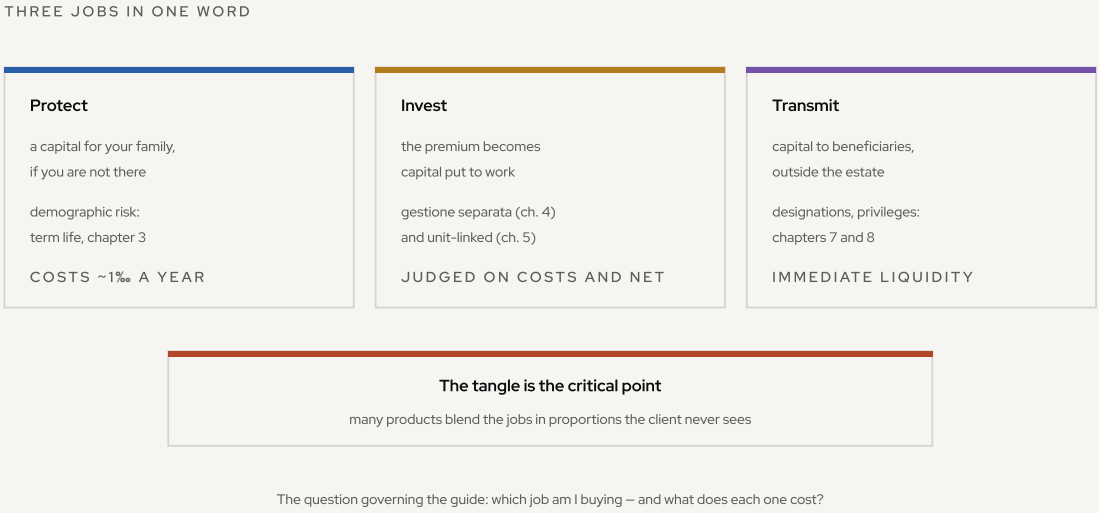

FIGURE 1 The three jobs of a life policy — Illustrative diagram

1.3 The map of the guide (and the three-question test)

The route follows the three jobs. **Part One** lays the foundations: the map of the classes — the taxonomy that makes every proposal legible —, the pure-risk policy with its numbers, and the Class I gestione separata, the most sold and least understood product in Italy. **Part Two** goes inside the contract: unit-linked policies and their layers of cost, the real civil-law and tax privileges (with their limits, which sellers omit), and the policyholder–insured–beneficiary triangle on which everything depends. **Part Three** is the method: complete numbers on realistic cases, the risks, the alternative construction — buy pure risk for protection and invest the rest — and the organic tax summary.

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The test to carry into every sales meeting comes down to three questions. **How much of my premium buys protection, and how much is invested? What does the invested part cost, all in? Do the privileges I am being told about hold for this specific contract — or only for policies in the abstract?** Whoever leaves this guide able to demand those three answers has already recovered, in negotiating power, many times the hours of reading.

KEY TAKEAWAYS

- Three jobs in one word: protect (demographic risk), invest (a financial container), transmit (beneficiaries outside the estate).
- Pure risk costs little and owes no return: it buys a conditional certainty for those who remain.
- Many products blend the jobs in invisible proportions: the mixed policy is often an investment with a postage stamp of insurance.
- Without genuine demographic risk a policy can lose the very privileges it was bought for: the courts have said so.
- The three-question test: how much protection, what the invested part costs, which privileges hold for THIS contract.

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02 The map **of the classes.**

The Italian insurance code sorts life contracts into numbered «classes» (rami) — an insiders' taxonomy which, once learned, makes every proposal transparent: ask for the class, and the contract immediately reveals which job it does and under which rules. This chapter is the legend of the map that will serve for the rest of the guide.

2.1 Class I: human life (and the gestione separata)

Class I gathers the policies written «on the duration of human life»: inside sit both the **pure-risk** policies — the term life insurance of chapter 3 — and the **with-profits** policies (rivalutabili) linked to a gestione separata, the great Italian insurance savings product that chapter 4 will take apart piece by piece. What unites the class is a commitment by the company tied to an event of life, typically with **guarantees**: a certain insured capital in term policies; capital preservation (or a minimum) and the locking-in of returns in with-profits policies. The investment risk, where there is one, rests mainly with the **company**.

One tax detail that is worth money and that almost nobody knows: Class I policies are **exempt from the stamp duty** (imposta di bollo) of 0.2 per cent a year that falls on other financial instruments — a silent structural advantage that chapter 12 will put into the ledger.

2.2 Class III: the risk passes to the client

Class III is the world of **unit-linked** policies (and of the now rare index-linked): the premium buys units of internal funds or UCITS, the value of the policy follows the markets, and the investment risk rests **with the policyholder** — the company, barring express guarantees that almost no product offers today, promises nothing. It is the financial container in its purest state: it can hold excellent building blocks or dreadful ones, with layers of cost that chapter 5 will count one by one. Here the case-law warning of chapter 1 applies: when the demographic risk is symbolic, the contract is in substance an investment — with everything that follows for the privileges.

Alongside, for the completeness of the map: **Class IV** (health and long-term care — a close relative of the planned guide on loss of self-sufficiency), **Class V** (**capitalisation** operations: pure financial deployment with no life insured, a niche today) and **Class VI** (pension funds). And the combinations:

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multi-class policies (multiramo), which mix Class I and Class III in chosen (or imposed) proportions, and **PIPs**, the individual pension plans in insurance clothing that belong to the world of retirement saving and to its future guide.

> IN PLAIN WORDS
>
> Asking «which class is it?» is like asking for the number plate: one syllable that says at once who bears the risk. Class I: the company bears it (at least in part). Class III: you do. Multi-class: you share it, in proportions written in the contract — to be read, not guessed.

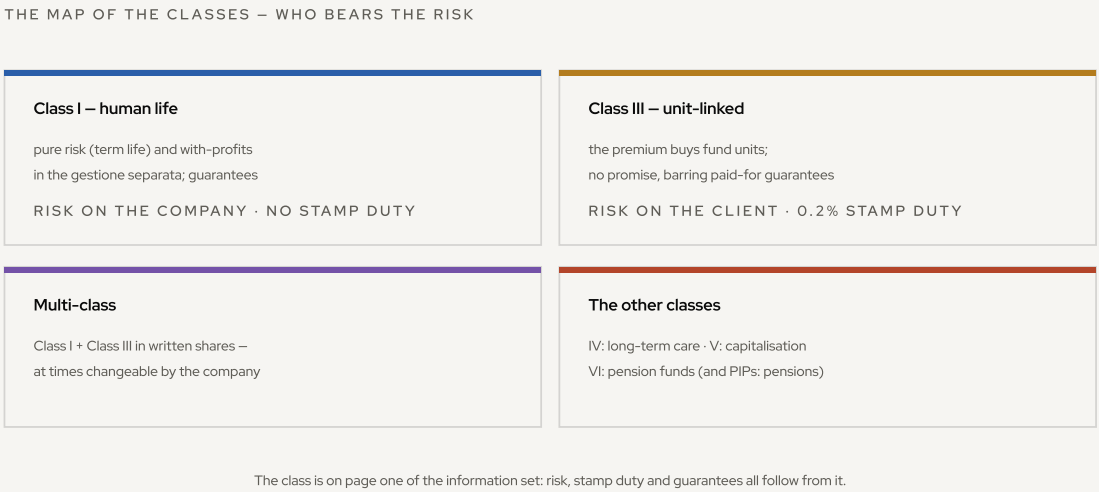

FIGURE 2 The map of the classes — Insurance code; illustrative summary

2.3 How to read a proposal with the map in hand

The map becomes method in three steps. **First**: identify the class (it is written in the information set, as a rule on the first page of the KID or of the DIP): from it flow the bearer of the risk, the stamp-duty regime, the nature of the guarantees. **Second**: for multi-class policies, demand the **proportions** — how much in the gestione separata, how much in units — and who can change them over time: many products reserve to the company the right to reduce the guaranteed share for future payments. **Third**: place the proposal on the right job of chapter 1 — if protection is needed, the savings classes are beside the point; if an investment is needed, the comparison is with the investment alternatives, costs in hand; if transmission is needed, beneficiaries and privileges matter more than the financial engine.

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From here the guide walks the map in the order that serves the reader: first pure risk — the job every family with income to protect should consider — then the savings containers, with their real merits and their real costs.

KEY TAKEAWAYS

- Class I: human life with guarantees — pure risk and with-profits policies in a gestione separata; risk (at least in part) on the company; exempt from the 0.2% stamp duty.
- Class III: unit-linked — the premium buys units, the risk is the policyholder's; without genuine demographic risk it is an investment dressed as a policy.
- Classes IV, V, VI: long-term care, capitalisation, pension funds. Multi-class: I+III in proportions to be read in the contract.
- The class sits on the first page of the information set: risk, stamp duty and guarantees follow from it.
- Method: class → proportions (in multi-class) → job of chapter 1. Then judge.

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03 The pure **risk.**

This is life insurance in its original job: a capital sum for your family, if you are not there. It costs less than people believe, protects more than any investment, and remains the most under-sold product in Italy — because it earns little for whoever sells it and a great deal for whoever buys it. This chapter teaches how to size it, price it and read the clauses that matter.

3.1 Who needs it, and how much capital: the human-capital arithmetic

Term life insurance (in Italy the TCM, temporanea caso morte) pays a capital sum to the beneficiaries if the insured dies within the agreed term; if they survive, the contract ends and returns nothing — exactly as car insurance returns no premiums if you have no accidents. It serves whoever has **people who depend on their income** or **debts that would outlive them**: the parent with young children and a mortgage, the single-income professional, the partner whose signature keeps the firm standing. It is of little or no use to those with no one to protect, or with wealth that already protects by itself.

Sizing follows **human capital**: the present value of the income that would go missing. The practical rule of this series: an insured capital equal to **what it takes to ferry the family across** — the years of income until the children are independent, plus outstanding debts, minus the liquid wealth already available. For a family with two young children and a mortgage, the arithmetic easily reaches **€400,000–700,000**: figures that frighten until you look at the price.

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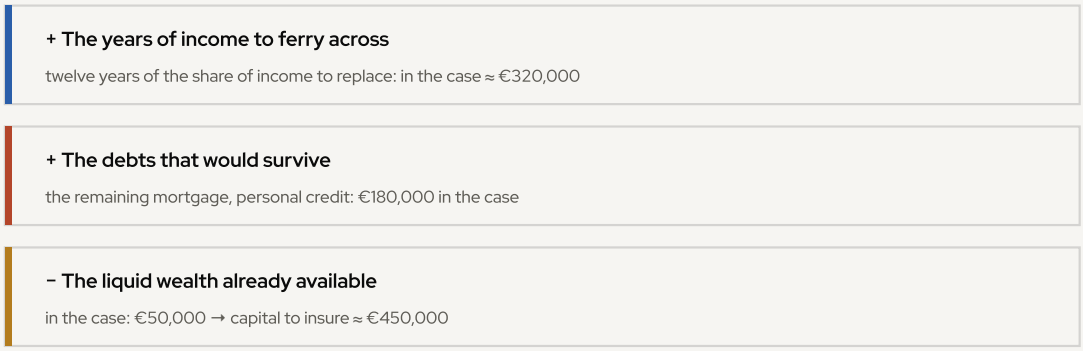

FIGURE 3 The human-capital arithmetic — Method illustrated on the chapter 9 case

3.2 What it really costs (and why so little)

The price of pure risk is the best-kept secret of the subject: for a **non-smoking forty-year-old** in good health, €500,000 of capital for 20 years costs in the order of **€400–600 a year** — one per mille of the capital, proportionally less than many smartphone policies. The price rises with **age** at signature (at 50 it can double or triple), with **smoking** (often +50–100 per cent) and with the health conditions declared in the questionnaire. Hence the two operating rules: buy **early**, while health is on your side and the premium stays locked for the whole term; and **tell the truth** in the medical questionnaire, because inexact or reticent declarations (artt. 1892 and 1893 of the codice civile) are the first cause of capital not being paid.

The tax system lends a hand: premiums for death cover and for permanent disability of at least 5 per cent are **deductible at 19 per cent** up to €530 of premium a year (the ceiling rises to **€1,291.14** for the share covering long-term care). The deduction is full up to €120,000 of total income and thins away to nothing at €240,000; for incomes above €75,000, from 2025 the premiums of new contracts fall inside the overall ceiling on deductions. And the capital paid to the beneficiaries of a term policy is **entirely exempt**: no IRPEF, by law, on capital that covers demographic risk, and no inheritance tax. On this job, the tax system is an ally.

> IN PLAIN WORDS
>
> Term life insurance is the only financial contract you buy hoping to waste the money: if the premiums «go lost», it means you lived. Whoever judges it by the yardstick of returns has picked the wrong yardstick — it is judged by the yardstick of the night you sleep soundly.

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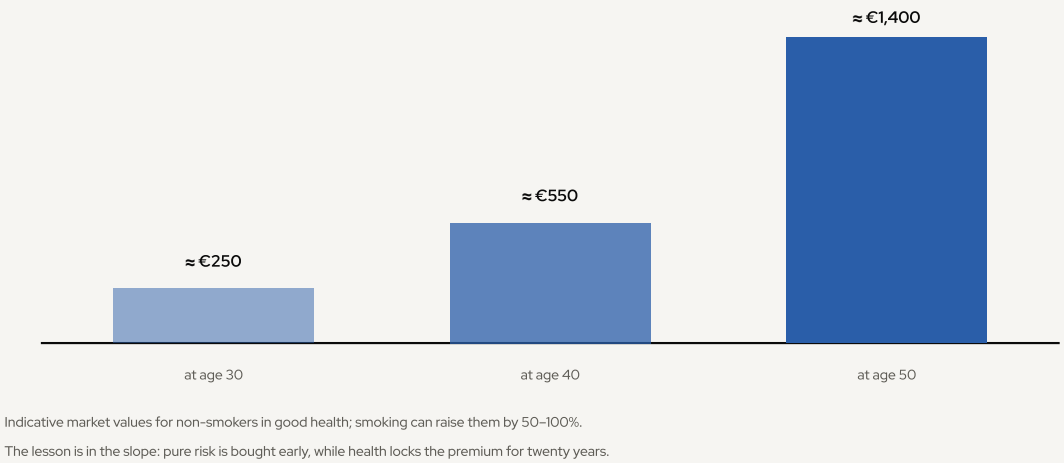

FIGURE 4 The price of pure risk, by age — Market orders of magnitude, September 2026

3.3 The clauses that matter (and the mistakes that cost)

Term policies resemble one another but are not equal, and the differences live in the clauses. The **exclusions**: almost all exclude suicide in the first years (as a rule two) and extreme activities; some exclude countries or professions — whoever travels for work should read. The **waiting periods**: the initial days or months without full cover, typical of contracts sold without a medical visit. The **revisability**: is the premium level and guaranteed for the whole term, or can the company adjust it? The useful **options**: decreasing capital tracking the mortgage (it costs less), renewability without new medicals, a disability rider. And the **beneficiaries**: designated well, under the rules of chapter 8 — the hasty clause is the most expensive way ever devised to save five minutes.

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Two mistakes dominate practice. The first: the term policy **bundled with the mortgage at the branch**, bought under pressure at the deed, often at a single premium paid up front and costing multiples of a stand-alone policy — the law guarantees the right to bring a policy of your own, and it is almost always worth exercising. The second: **confusing term insurance with mixed policies** — products that «give something back anyway» cost many multiples and do both jobs badly: protection is done better by pure term cover, investing is done better by an investment. That is the theme of the next block of chapters.

KEY TAKEAWAYS

- Term life insurance pays if the insured dies within the term: for those with income to protect or debts that would survive them.
- Size it on human capital: years of income to ferry across + debts − liquid wealth. Often €400,000–700,000.
- It costs one per mille: ~€400–600/year for €500,000 at a non-smoking 40-year-old. Buy early, and tell the truth in the questionnaire (artt. 1892-1893 c.c.).
- Tax as an ally: 19% deduction (€530; €1,291.14 for long-term care), full up to €120,000 of income, capital exempt from IRPEF and inheritance tax.
- Clauses to read: exclusions, waiting periods, guaranteed premium, beneficiaries. And the mortgage policy can be replaced with your own: almost always worth it.

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04 The room **without windows.**

It is the most Italian savings product in existence: the Class I with-profits policy hitched to a «gestione separata» — a segregated fund accounted at historic cost. It promises what every saver dreams of — never seeing the minus sign — and it delivers, through an ingenious piece of accounting that nonetheless has a price and limits nobody explains at the branch. This chapter opens the bonnet.

4.1 The mechanism: book value and the lock-in

The **gestione separata** is a pool of assets distinct from the company's own — segregated, as the name says, and by law beyond the reach of its creditors — invested mostly in **bonds and government securities**. Its magic is accounting magic: the securities are carried at **historic cost**, not at market value. Price swings never touch the declared return: only coupons received and gains or losses actually **realised** on sale count. The result: the fund's return is always positive or nearly so, even in years when bond markets crash — not because the risk does not exist, but because the accounting does not show it until something is sold.

On the certified return the company keeps its own share (the **retained margin**, trattenuto — typically around 1 per cent, or a percentage slice of the return) and credits the rest to the policy, where — in the classic structures — it is **locked in** (consolidato): the revalued capital becomes the new guaranteed floor, and can no longer fall. Lock-in plus historic cost: there is the product that «never loses», beloved by anyone who remembers that markets, now and then, hurt badly.

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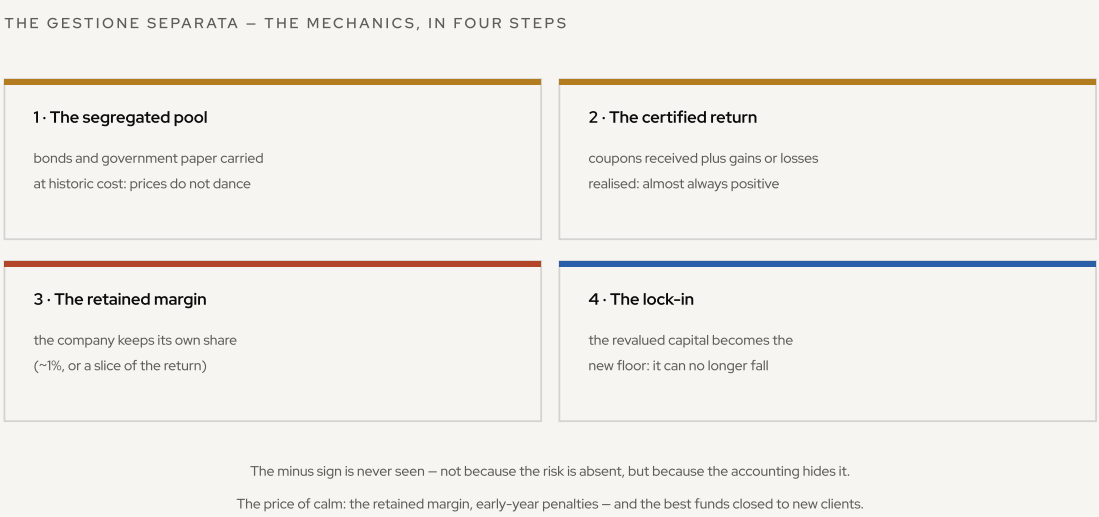

FIGURE 5 The mechanics of the gestione separata — Illustrative diagram

4.2 The price of calm: returns, constraints, old and new funds

The calm is paid for three times over. **In the return**: between the company's retained margin and prudent portfolios, what historically reaches the policy is somewhere around 2–3 per cent gross in the mature funds — respectable as a parking place, poor as a long-term engine, especially net of the loadings on premiums. **In liquidity**: surrenders in the early years carry decreasing **penalties**, and some companies reserve the right to defer surrenders in moments of stress — the money is less available than it looks. **In access**: historic cost works as long as the fund takes in more than it pays out; that is why many historic funds, full of old high-yielding securities, are **closed to new clients**, while new funds are born with the yields of today's bonds. Buying the product today while remembering yesterday's returns is the most widespread anachronism in the field.

The merits deserve their honest weight: the gestione separata is one of the few instruments that **decouples the saver from the emotions of the markets** — no NAV dancing daily, no temptation to sell in a panic — and for the part of wealth that must stay stable (the safety reserve of the elderly, the bridge towards a known expense) it does a job that market instruments cannot do. The problem is not the product: it is using it as an engine of growth, a job it was never born for.

> IN PLAIN WORDS
>
> The gestione separata is a room without windows onto the markets: inside, the storm is invisible, and for those who suffer seasickness that is real relief. But the room has rent (the retained margin), a door that charges in the early years (the penalties) — and without windows, the sunshine of the rallies never comes in either.

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4.3 How to judge one: the five items to demand

The judgement on a with-profits policy rests on five items, all written in the information set or in the fund's annual statement. The **certified return** of recent years — of the specific fund, not of «gestioni separate» in general — and its trend. The **retained margin** (or the crediting rate): how much of the return actually reaches the policy. The **loadings** on premiums: the 2–4 per cent at entry, still frequent, is a year of return given away. The **surrender penalties** and how long they last. The actual **guarantee**: annual lock-in, guarantee only at maturity, or — in recent versions — a guarantee below 100 per cent of what was paid in: they are not the same thing, and the word «guaranteed» in the sales material covers all three.

With the five items in hand, the comparison of chapter 11 becomes possible: against a BTP held to maturity, against a term deposit, against a money-market fund — the instruments the with-profits policy really competes with for the job of stability. Often the policy survives the comparison only thanks to its succession and tax privileges: which is perfectly fine, provided that is the reason it is being bought.

KEY TAKEAWAYS

- Gestione separata: a segregated pool, securities at historic cost, returns from coupons and realised sales — the minus sign is not seen, not because it does not exist.
- Lock-in: the revalued capital becomes the new floor. The calm is paid in return (retained margin), liquidity (penalties) and access (the best funds are closed).
- Historic returns ≠ future returns: new funds are born with today's bond yields.
- The real merit: it decouples the saver from emotion — its proper job is stability, not growth.
- Five items to demand: the specific fund's return, retained margin, loadings, penalties, the exact nature of the guarantee.

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II

PART TWO · CHAPTERS 5–8

Inside **the contract.**

Unit-linked policies between wrapper and contents, the costs layer by layer, the civil-law and tax privileges with their limits — and the triangle of roles on which everything depends.

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05 The wrapper **and the contents.**

In Class III the policy becomes, openly, an investment: the premium buys fund units, the value follows the markets, the risk belongs to whoever signs. There is nothing wrong with that — provided the wrapper is judged for what it is: a container that adds privileges on one side and costs on the other. This chapter weighs both pans of the scale, and tells when the wrapper even stops being a policy.

5.1 How it works: units, internal funds, no promises

In a **unit-linked** policy the premium, net of loadings, buys **units** of one or more funds — internal to the company, or external UCITS — chosen from a menu. The value of the policy is the value of the units: it rises and falls with the markets, with no lock-ins and no guarantees (except the rare «protected» versions, paid for separately). On the death of the insured, the beneficiaries receive the countervalue, as a rule with a **death-benefit uplift** of a few percentage points — demographic risk shrunk to a postage stamp, which the courts have had to deal with.

Judging a unit-linked policy therefore takes two separate examinations. The **contents**: which funds, with which costs of their own, replicating what — a menu of expensive active funds is a problem no wrapper solves. And the **wrapper**: what it adds (tax deferral, internal netting between the menu's funds on switches, beneficiary designation, inheritance-tax exemption) and what it takes away (the costs of the next chapter). The algebraic sum of the two examinations — not the brochure — says whether the product deserves its place.

5.2 When the policy is no longer a policy

The legally delicate point of Class III is **substance**. The Cassazione, in a line of cases now settled (most recently ordinanza 9418/2024), looks past the label: if the contract does not transfer to the company an **appreciable demographic risk** — if the death benefit is merely the value of the units plus a symbolic uplift — the product is, in substance, a **financial instrument**. The consequences are not academic: the protection of art. 1923 (the creditor shield) can fall away, the applicable rules become those of investments, and in succession matters the claims of forced heirs meet fewer obstacles. The paradox to avoid is buying a unit-linked policy *for* its insurance privileges and discovering, at the moment of need, that the contract never truly had them.

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The countermeasure is contractual: verify that the demographic component is **real** — a meaningful death-benefit uplift, better still one that grows with age, or a genuine financial guarantee — and that the company prices it (the cost of the cover is the sign that the risk exists). It is one of the rare cases in which an extra cost is good news.

> IN PLAIN WORDS
>
> The insurance wrapper is like the armoured case of a violin: it adds protection and has a weight of its own. It makes sense if there is a violin inside — and if the lock works. Carrying a heavy case around with a mediocre violin inside, or with a fake lock, is the most expensive way to play badly.

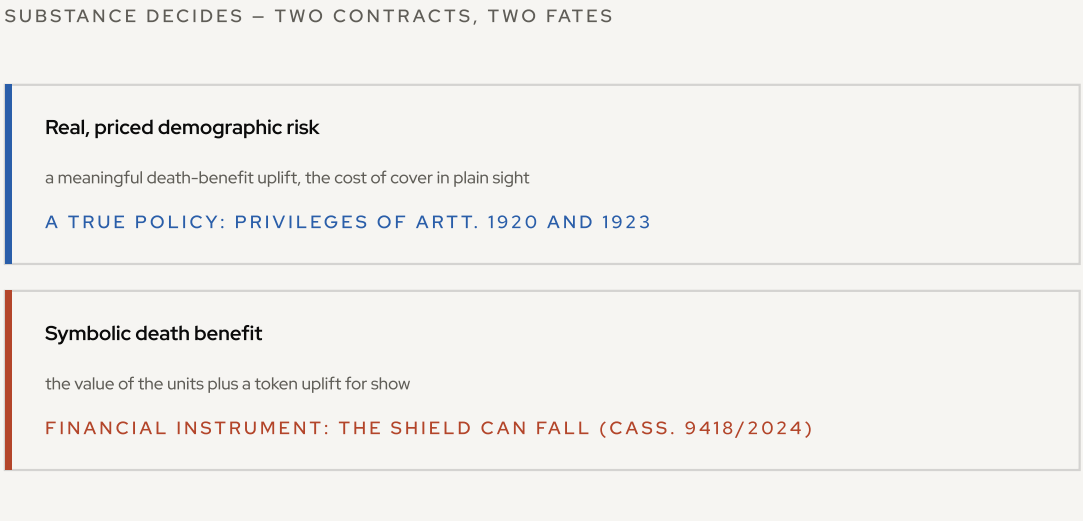

FIGURE 6 Substance decides — Artt. 1920 and 1923 c.c.; Cass. ord. 9418/2024

5.3 The sensible uses (and the ones that are not)

The sensible use of a unit-linked policy, in wealth practice, has a precise profile: estates for which the **privileges are worth real money** — succession planning with beneficiaries outside the estate, needs of confidentiality and segregation, tax deferral on substantial capital — invested inside the wrapper in **efficient building blocks** (index funds or institutional share classes at low cost, where the menu offers them), with wrapper costs **negotiated**: above certain premium thresholds companies do negotiate, and private insurance contracts exist precisely for that. Within that perimeter, the algebraic sum can be positive.

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The senseless use is the mirror image: the ordinary saver who buys a unit-linked policy **as an ordinary investment**, with a menu of expensive active funds, full loadings and no particular succession needs — paying 2–3 per cent a year, all in, for privileges they will never use. For them the alternative of chapter 11 (protection through pure risk, the rest invested in simple instruments) wins almost every time, and the numbers of chapter 9 will show it without adjectives. The unit-linked policy is a tailor's instrument: bought one-size-fits-all, it fits badly and costs double.

KEY TAKEAWAYS

- Unit-linked: the premium buys units, the risk is the policyholder's, no promises except guarantees paid for separately.
- Two separate examinations: the contents (the menu's funds, with their costs) and the wrapper (privileges against costs). The algebraic sum decides.
- Without appreciable demographic risk the Cassazione (ord. 9418/2024) sees a financial instrument: the privileges can fall.
- A real, priced death-benefit component is good news: it is the proof that the policy is a policy.
- Sensible use: estates with true succession needs, efficient building blocks, negotiated costs. One-size-fits-all fits badly and costs double.

Invested capital is at risk: its value can fall as well as rise.

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06 The costs, **layer by layer.**

No Italian financial product layers its costs the way insurance savings policies do: on the premium, on the assets, on the underlying funds, at the exit. Each layer looks small; the sum, compounded over twenty years, decides the outcome more than any market call. This chapter teaches how to find them all — they are written, by law, in the KID — and how to add them up the way time does.

6.1 The four layers

First layer: the loadings on the premium. The percentage kept from every payment before anything is invested: historically 2–5 per cent on the traditional networks, zero on the best direct channels. A 4 per cent loading means starting from 96: it takes nearly a year of returns just to get back to one hundred. **Second layer: the wrapper's recurring costs.** The policy's management fee — typically 1–2.5 per cent a year on assets in unit-linked policies, the retained margin in with-profits ones — plus any fixed charges and the cost of the death cover. **Third layer: the costs of the underlying funds.** The menu's funds carry their own TER, often 1–2 per cent when active; in internal funds there may be retrocessions to the company — the elegant double count. **Fourth layer: the surrender penalties**, decreasing over the first years, which turn second thoughts into a fine.

The sum is the number that matters: the **total annual cost** (in the KID: the «annual cost impact», RIY) of network-sold unit-linked policies frequently sits between **2 and 3.5 per cent**. Compounded over twenty years, as chapter 9 will show, it eats between a third and half of the final sum the same investment would have produced in simple instruments.

> IN PLAIN WORDS
>
> The layers of cost are like the fees of an airport currency desk: none of them looks scandalous, and at the end of the trip a third of the money is missing. The defence is the same too: look at the total — which by law is written in the KID — and not at the single items told one at a time.

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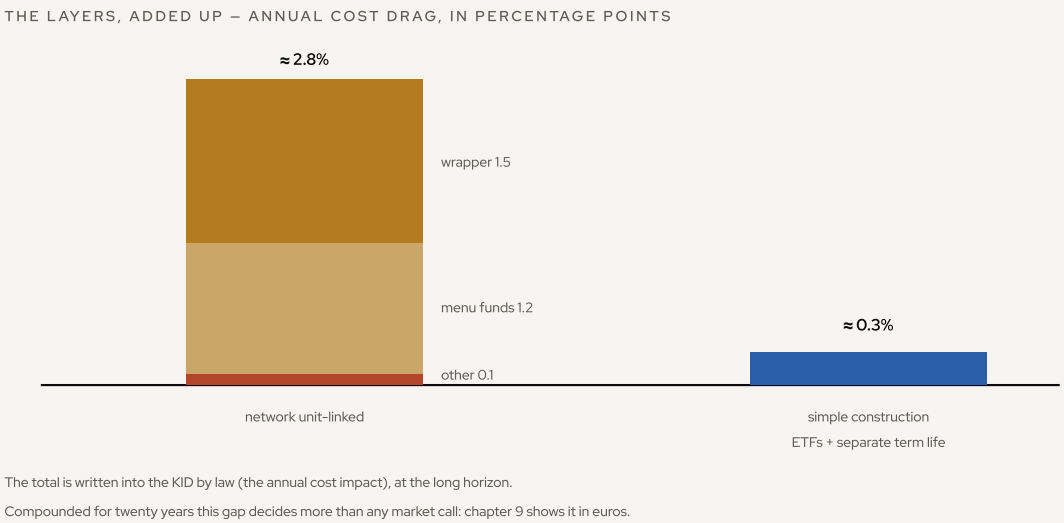

FIGURE 7 The layers, added up

Illustrative example on typical values; the true figure is in the KID

6.2 Where they are written: the KID and the transparency that already exists

The good news is that the costs need no detective work: the European rules on insurance-based investment products (**IBIPs**) impose the **KID** — the key information document — with its «composition of costs» table and the **annual cost impact** on returns at set horizons. There, the layers are already added up. The distribution rules (the **IDD** directive, transposed into the insurance code) further require coherence between product and client needs and transparency on conflicts — paper that becomes negotiating power only if the client reads it.

The operating method in three gestures: **demand the KID before** the meeting, not at signature; read the **RIY at the long horizon** (the one-year figure is inflated by entry costs; the long one is the truth of the product); and ask **what part of that total is negotiable** — on substantial premiums, loadings and fees are negotiated more often than the network lets on. Whoever also carries the costs chapter of the sister guide on investment taxation has the full picture: there the naked instruments, here the wrappers.

6.3 The justified cost and the unjustified one

The closing method distinguishes two natures of cost. There is the cost that **buys something real**: the priced death cover (chapter 5), the genuine financial guarantee, the succession service, the gestione separata with its lock-in. On these you negotiate the price, but the goods exist. And there is the cost that **buys nothing**: the loading that remunerates only the distribution, the active fund that replicates the index at triple the price, the internal fund's double fee. On these you do not negotiate: you change product.

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The guiding question, job by job: *what do I receive, for this layer, that I would not have without it?* When the answer is precise — a guaranteed capital for the children, the inheritance-tax exemption on an estate that will use it, the calm of the gestione separata for the reserve — the cost is a price. When the answer is vague — «the professionalism of the management», «the solidity of the company» — the cost is a private tax. The difference, over twenty years, is chapter 9.

KEY TAKEAWAYS

- Four layers: loadings on the premium, the wrapper's recurring costs, the underlying funds' TER, surrender penalties.
- The number that matters is the total: the annual cost impact (RIY) in the KID — in network unit-linked policies often 2–3.5% a year.
- Demand the KID BEFORE the meeting and read it at the long horizon; the IDD imposes coherence and transparency — paper that becomes power only when read.
- On substantial premiums, negotiate: loadings and fees are treatable more often than the network lets on.
- Justified cost = real goods (cover, guarantee, succession service). Unjustified cost = change product, do not negotiate.

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07 The privileges **and the limits.**

Outside the estate, exempt from taxes, shielded from creditors: the three privileges of life policies are real, written in the civil code and in the tax law — and precisely for that reason they are recounted without their limits, which are just as real. This chapter gives the reader the complete picture: what the policy truly protects, from what, and where the protection ends.

7.1 Outside the estate: capital that travels by contract

The first privilege concerns succession: the death benefit belongs to the **designated beneficiaries** in their own right (art. 1920 of the codice civile), **does not enter the estate** and does not pass through the succession declaration. The practical consequences are of the first order: the money arrives **quickly**, without waiting for the succession paperwork; it arrives **to whoever is written down**, even outside the legitimate family (the partner, the grandchild, the charity); and it is **exempt from inheritance tax**. It is the prince of instruments for creating immediate liquidity at the very moment when the rest of the estate is temporarily frozen — the function no other instrument replicates.

The limit: the beneficiaries receive outside the estate, but the **premiums paid** are not invisible to the family. If the payments into the policy have injured the **legittima** — the forced-heirship share — the injured heirs can act: on the premiums, not on the capital (art. 1923, second paragraph, which recalls hotchpot, imputation and abatement «with regard to the premiums paid»). The policy puts order into transmission; it is not a crowbar for disinheriting, and whoever uses it that way is preparing lawsuits, not plans.

7.2 The tax side: exemptions with the 2015 perimeter

The second privilege is fiscal, and since 2015 it has a precise perimeter. The death benefit is exempt from IRPEF **for the part that covers demographic risk** (L. 190/2014; clarifications in circolare 8/E of 2016): in **pure term policies the exemption is total**; in savings policies — with-profits, unit-linked, multi-class — the demographic component is exempt but the **accrued financial returns are taxed** as capital income, at the effective rate seen in the sister guide (26 per cent, reduced for the share in white-list government bonds). For all of them there remain the exemption from **inheritance tax** and — while the contract lives — the **deferral**: no tax on coupons and dividends reinvested inside the policy, tax only at surrender, with internal netting between the menu's funds on switches.

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The picture is completed by the **stamp duty** — 0.2 per cent a year on Classes III and V, from which Class I is **exempt** — and by the **deduction** on pure-risk premiums of chapter 3. Added together, for the right estates, these pieces are worth real percentage points: chapter 12 will gather them into a single summary.

> IN PLAIN WORDS
>
> The privileges of a policy are like the advantages of a diplomatic passport: real, but tied to the function. As long as the contract truly does insurance — demographic risk, beneficiaries, transmission — the immunities hold; when it is merely an investment in evening dress, the courts look under the dress.

7.3 The creditor shield: art. 1923 read in full

The third privilege is the most cited and the least understood: «the sums owed by the insurer may not be subjected to enforcement or precautionary action» (art. 1923, first paragraph). The protection exists — but it must be read in full. **First limit**: it protects the sums *owed by the insurer*; once the money has been surrendered and sits in the account, it is money like any other. **Second limit**: the second paragraph saves the **claw-back actions** (azioni revocatorie) — whoever pays into a policy to keep from creditors what was already owed will find the claw-back, ordinary or insolvency, waiting on the premiums. **Third limit**, the most modern: the courts apply the protection to contracts with a **substantive welfare function** — the Cassazione (among others, ordinanza 9418/2024) denies the shield to purely financial policies without genuine demographic risk. The shield follows the substance, not the label.

The operating summary for the reader of this series: the well-built life policy — real demographic risk, thought-out beneficiaries, premiums proportionate to the estate and paid *before* problems arise — offers a package of protections no securities account can match. The policy used as a last-minute safe, or as a label on an ordinary investment, offers above all a false sense of security. The difference is made by design, and design is done with the adviser and — in complex estates — with the notary, before signing.

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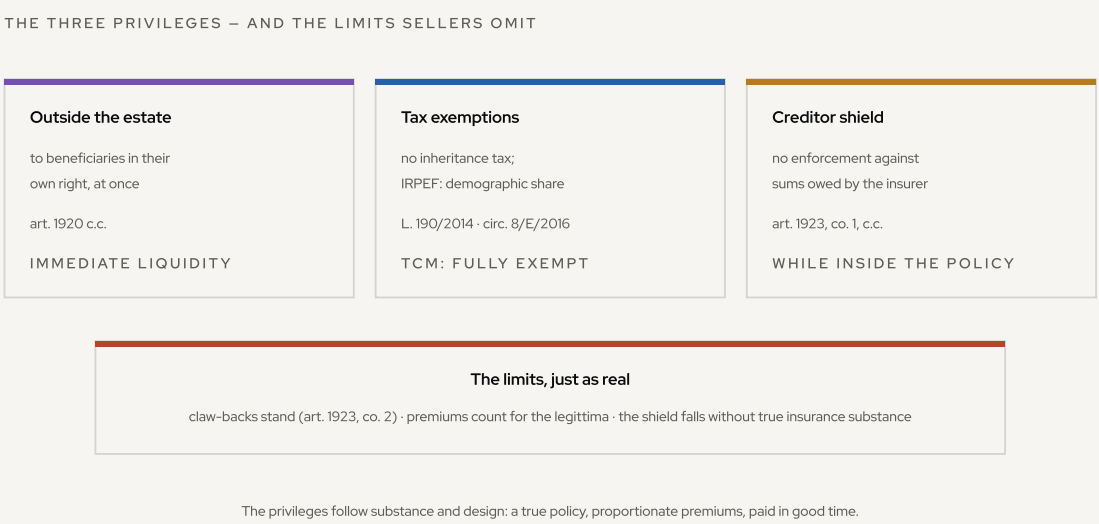

FIGURE 8 The three privileges and the limits

Codice civile and L. 190/2014; picture as at September 2026

KEY TAKEAWAYS

- Art. 1920: the capital goes to the beneficiaries in their own right, outside the estate, exempt from inheritance tax, with immediate liquidity.
- The succession limit: the PREMIUMS remain reachable by hotchpot and abatement if they injure the legittima (art. 1923, co. 2).
- Tax since 2015: IRPEF exemption only for the demographic share (term policies: total); financial returns are taxed. Deferral, inheritance-tax exemption and no stamp duty on Class I remain.
- Art. 1923: no enforcement on sums owed by the insurer — but claw-backs are saved, and the shield falls on policies without genuine demographic risk (Cass. 9418/2024).
- The privileges follow substance and design: a true policy, proportionate premiums, paid in good time. The label alone protects nothing.

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08 The triangle **of the contract.**

Every life policy is a triangle: who signs and pays, whose life is insured, who receives. When the three corners coincide, or nearly, the contract is simple; when they diverge — and in wealth planning they diverge on purpose — each corner brings rules of its own. The beneficiary clause, in particular, is the most powerful and most mistreated line of the whole contract: five minutes of attention here are worth years of avoided litigation.

8.1 The three roles and their rules

The **policyholder** signs, pays the premiums and exercises the rights: designates and revokes beneficiaries, surrenders, takes policy loans, assigns the contract. The **insured** is the life on which the contract rests: if it is a person other than the policyholder, their **written consent** is required (art. 1919 of the codice civile — nobody may insure another's death without their knowledge). The **beneficiaries** receive the benefit in their own right, as seen in chapter 7. The combinations make the planning: the parent as policyholder on their own life in favour of the children is the classic; the spouse as policyholder on the other's life protects the survivor who pays; corporate structures (the company as policyholder and beneficiary on the key partner's life, cross policies between partners) prepare business continuity — close relatives of the patto di famiglia, the family business pact, of the sister guide.

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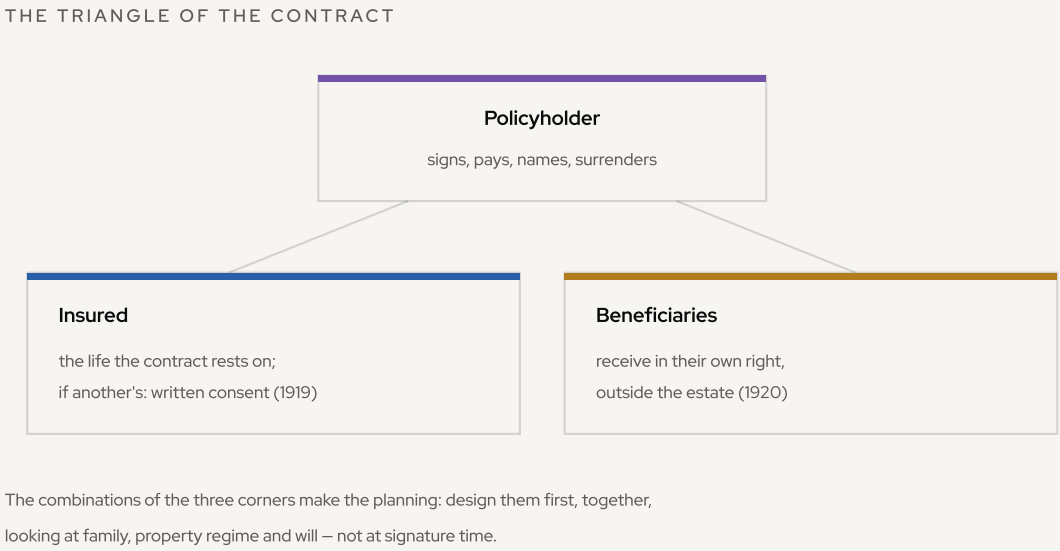

FIGURE 9 The triangle of the contract — Artt. 1919-1920 c.c.; illustrative diagram

8.2 The beneficiary clause: writing it well

The designation can be **by name** («Maria Rossi, born on...») or **generic** («my legal heirs», «the spouse; failing whom, the children»). The generic one is convenient and dangerous: «legal heirs» identifies the beneficiaries *per relationem* and, on the settled reading, unless otherwise willed splits the capital **in equal parts among them** — not by the shares of inheritance — and photographs the family at the wrong moment if life has changed (the divorce, the new marriage, the child who arrived later). The golden rules: **names** when the people are certain, with explicit substitution criteria («should they predecease, their descendants by stirpes»); **periodic review** of the clause at every life event — it can be changed at any time with a simple notice, free of charge; and coordination with the **will**: the designation can be made or revoked by will too (art. 1920), and the notary must know the policy exists.

Two fine instruments for fine cases: the **irrevocable** designation (rare, to be used with caution: it binds the policyholder too) and the **lien** or pledge in favour of a bank, typical of term policies securing mortgages. And one essential courtesy: **tell the beneficiaries the policy exists**. Companies must check every year, through the public registers, whether the insured has died (art. 3 of DPR 116/2007), but to find the beneficiaries they have only what is written in the policy: with a generic designation or an old address the search runs aground, and the unclaimed sums end up, after the ten-year prescription, in the dormant-accounts fund — a fortune in distractions, avoided with one line in the family file; and whoever suspects they are a beneficiary can ask ANIA, free of charge, to search for the deceased's policies.

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IN PLAIN WORDS

The beneficiary clause is the fastest will in Italian law: it is written in one line, changed with a letter, and pays out in weeks. Treating it as a formality on the form — «legal heirs» and done — is handing the most important line of the contract to the autopilot.

8.3 The entanglements with the family, and the tax of the roles

The entanglements worth knowing. **A policyholder different from the beneficiary**: if the grandfather pays a policy in favour of the grandchild, the premiums are an indirect gift — relevant for hotchpot and abatement (chapter 7) and, in substantial cases, to be coordinated with allowances and registrations: the tax adviser comes in when the figures matter. **Community of property**: premiums paid with common money on an individual policy can generate claims by the spouse — the matrimonial property regime must be looked at before signing. **Changing the policyholder** (by gift or by succession of the contract): possible but delicate, fiscally and civilly — never to be improvised. **Minor beneficiaries**: the capital reaches them, administered by the parents with the required authorisations; for finer control there are the combinations with trusts and restraints, matter for the sister guide on trusts.

The closing message is the method of this series applied to the triangle: the three corners are **designed beforehand**, together, looking at family, property regime and will — not filled in at signature on the bonnet of a car. It is an hour's work with the adviser; its opposite is years of work for the lawyers.

KEY TAKEAWAYS

- The policyholder signs and decides, the insured lends their life (written consent if different: art. 1919), the beneficiaries receive in their own right.
- «Legal heirs» splits in equal parts and photographs the family at the wrong moment: better named beneficiaries with explicit substitutions, reviewed at every life event.
- The designation is made and revoked by will too (art. 1920): the notary must know the policy exists — and so must the beneficiaries, or it ends in the dormant funds.
- Premiums paid for others = an indirect gift: they count for the legittima and, in large cases, for tax. Community of property and policyholder changes are examined first.
- The triangle is designed at the table with the adviser (and the notary in complex estates), not at signature.

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PART THREE · CHAPTERS 9–13

Informed **use.**

The complete numbers on two real cases, the map of the risks, the construction that separates the jobs — and the organic tax picture. The glossary closes.

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09 The numbers, **on real cases.**

Two cases followed all the way through, with realistic numbers and declared assumptions: the family that must protect itself and the saver who must invest. In the first, the right policy is a masterpiece of efficiency; in the second, the wrong product is a twenty-year tax. It is the chapter to reread before every signature — and to hold against every proposal received.

9.1 Case one: protecting — the family with a mortgage

A couple of forty-year-olds, two children aged 6 and 9, a main income of €60,000 net a year, of which some €27,000 serves the family once the earner's own consumption is stripped out, €180,000 of mortgage outstanding. The human-capital arithmetic of chapter 3: twelve years of ferrying until the children are independent, about **€500,000** between the share of income to replace (€27,000 × 12 ≈ €320,000) and mortgage, minus the liquid wealth (€50,000): capital to insure **≈ €450,000**. A twenty-year term policy on the main earner's life, non-smoker, costs in the order of **€500–600 a year**; with the 19 per cent deduction on €530, the net cost falls to around **€400–500**. For the family this means: less than one per mille of the capital protected, the equivalent of one dinner out a month, for the certainty that the family project survives its worst scenario.

The series' reading: this is insurance doing its job — a large, improbable risk transferred at a small, certain price. No investment can replicate it: to «self-insure» you would need the €450,000 already in hand, which is to say, not to need it. Here there is no comparison to run: only sizing to get right, and an early signature.

9.2 Case two: investing — €100,000, twenty years, two wrappers

A fifty-year-old saver, €100,000 to invest for twenty years, balanced profile. Common, declared assumptions: markets at **5 per cent gross** compound, before taxes; a comparison between the **network unit-linked policy** (total cost drag of 2.8 per cent a year: wrapper plus the menu's active funds) and the **simple portfolio** of ETFs (total costs 0.3 per cent). The unit-linked grows at 2.2 net of costs: after twenty years ≈ **€154,000**; the simple portfolio grows at 4.7: ≈ **€250,000**. At the sale, 26 per cent tax on the gains (simplifying the effective rate as equal for both): the unit-linked leaves ≈

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€140,000 net, the portfolio ≈ **€211,000**. The policy's tax deferral — a real advantage — is worth a few thousand euros in this case; the costs take away **seventy thousand**. The algebraic sum of chapter 5, in figures.

The same arithmetic with an **efficient** wrapper — private insurance at negotiated costs (say 0.8 for the wrapper plus a tenth of a point of index building blocks: 0.9 per cent all-in, a return of 4.1 per cent net of costs) — produces ≈ **€223,000 gross and €191,000 net**: still below the naked portfolio, but the gap (≈ €20,000) becomes the **measurable price of the privileges** — inheritance-tax exemption, beneficiaries, segregation — which for an estate with true transmission needs can amply be worth the difference. The verdict is not «never the policy»: it is «never the policy at these costs without these needs».

> IN PLAIN WORDS
>
> In case two the right question is not «what does the policy return?» but «what am I paying for the privileges?». At network costs, you pay seventy thousand euros for them: a private inheritance tax, paid while alive, to the company. At negotiated costs they become twenty thousand: a genuine insurance premium, which for the right estate can be worth the money.

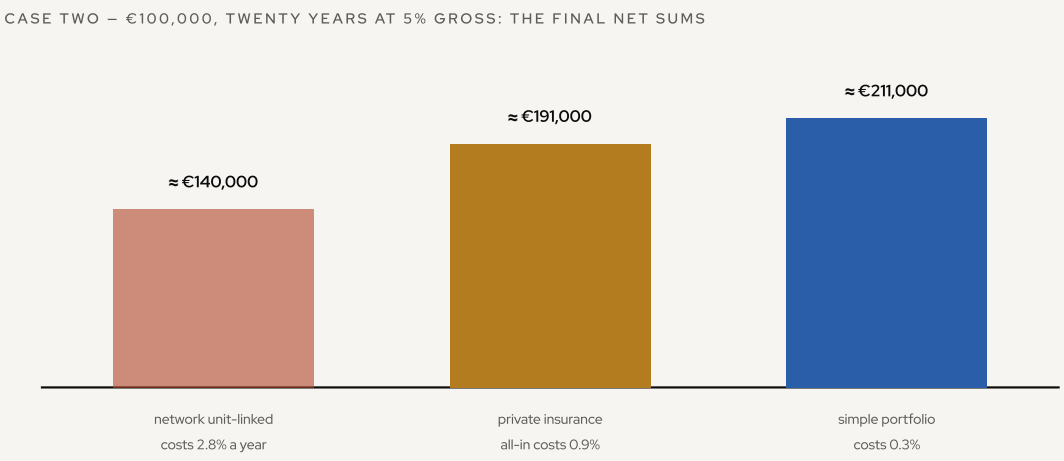

FIGURE 10 Case two: the final net sums — Case assembled for illustration; assumptions in the text

9.3 The method of the two calculations

The two cases teach the general method, repeatable on any proposal in half an hour. **For protection**: human capital → capital to insure → market term-life premium (the comparison sites give it in five minutes) → comparison with the proposed product; if the product «gives something back» and costs multiples, you are facing a mixed policy — decompose it: pure term cover plus an investment, and compare the sums. **For investment**: the KID's RIY at the long horizon → the same sum invested in

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simple instruments at 5 per cent gross minus the respective costs → the difference in net final amounts = the twenty-year price of the privileges → the final question: *will this estate use those privileges for at least that value?*

If the answer is yes — substantial estates, true succession needs, negotiated costs — the policy takes its rightful place in the construction, and chapter 12 will summarise its organic tax advantages. If the answer is no, the road is that of chapter 11: buy the pure risk, invest the rest, and leave the wrappers to those who have a use for them. In both cases, the decision rests on two calculated numbers — not on a brochure.

KEY TAKEAWAYS

- Protection: €450,000 of capital for ~€500/year net at age 40 — insurance doing its job; no investment replicates it.
- Investment: €100,000 for 20 years at 5% gross — network unit-linked (costs 2.8%) ≈ €140,000 net against €211,000 for the simple portfolio: €70,000 as the price of the privileges.
- With a negotiated wrapper (0.9% all-in) the gap falls to ~€20,000: the measurable price of inheritance-tax exemption, beneficiaries and segregation.
- Verdict: never the policy AT THESE COSTS WITHOUT THESE NEEDS — not «never the policy».
- The two-calculation method: human capital vs term premium; RIY vs simple instruments → will the estate use the privileges for at least that value?

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10 The risks, **mapped.**

Even contracts born to protect have risks of their own — counterparty, liquidity, clause, oblivion. This chapter gathers them into the single map of the series, with the warning signs and the defences, and closes with the list of profiles for whom the savings policy is simply the wrong purchase.

10.1 The six families of risk

Counterparty risk: a policy is a claim on the company. The system's defences are robust — technical reserves, European capital requirements (Solvency II), the segregation of the funds, IVASS supervision — but not identical across products: in a unit-linked policy the funds are segregated by nature; in a with-profits one, what counts is the solidity of whoever guarantees. The company's **solvency ratio** is public and takes a minute to read. **Liquidity** risk: surrender penalties, payment times, the (rare but existing) clause deferring surrenders in moments of stress: money kept «in reserve» inside a policy must be sized knowing this. **Cost** risk, already measured in chapter 6: the most certain of all. **Clause** risk: exclusions, waiting periods, medical questionnaires filled in carelessly — the first cause of unpaid claims is an inexact declaration at signature (artt. 1892-1893). **Substance** risk: the label-only policy without demographic risk that loses its privileges (chapters 5 and 7). And the risk of **oblivion**: forgotten policies, beneficiaries never informed, the ten-year prescription and the dormant-accounts fund — the most avoidable and most frequent risk of all.

The table on the facing page puts the map in order: risk by risk, the warning sign and the defence already described by the guide.

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RISK	THE WARNING SIGN	THE DEFENCE
Counterparty	Unknown company, returns above market	Public solvency ratio; segregated gestioni separate (ch. 4)
Liquidity	Long penalties, deferral clauses	Size the reserve knowing the constraints (chs. 4 and 6)
Cost	RIY above 2% with no real services	KID before the meeting; negotiate or switch (ch. 6)
Clause	Questionnaire filled in haste, exclusions unread	Truth at signature (artt. 1892-1893); read waiting periods and exclusions (ch. 3)
Substance	Symbolic death benefit, cover not priced	Real, priced demographic risk (chs. 5 and 7)
Oblivion	Beneficiaries never told, policy in the drawer	A line in the family file; periodic review (ch. 8)

TABLE 1 The risk map, with signals and defences

> IN PLAIN WORDS
>
> The most underrated risk is not in the markets or in the companies: it is in the drawer. A policy the beneficiaries know nothing about is a bank transfer to a public fund with ten years' notice. The defence costs one line in the family file and a phone call.

10.2 Who should not buy savings policies

The list, in the style of the series. **Whoever has no particular succession needs**: with no beneficiaries to favour, no assets to segregate and no estate to put in order, the privileges sit unused — and paying for them is charity to the company. **Whoever has short horizons or uncertain liquidity**: penalties and constraints turn second thoughts into a dry loss. **Whoever cannot negotiate the costs**: below certain premium thresholds the network wrapper costs what it costs, and case two of chapter 9 has shown the bill. **Whoever seeks returns**: the wrapper creates no return — at best it preserves one, at worst it eats it. **Whoever buys to hide**: existing creditors are answered by the claw-back, the forced heirs by abatement on the premiums, the tax authority by the exchange of information — a policy is not a place to disappear, and whoever sells it as such is selling an illusion with an invoice.

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Mirror-wise, the right profiles: the family that must **protect income** (term life insurance, always); the elderly or complex estate with **true transmission needs**, at negotiated costs; the **stability reserve** in a gestione separata, sized with its constraints known; the firm that insures its **key people**. For them, the policy is what it promises. For the others, chapter 11 has the better construction.

KEY TAKEAWAYS

- Six families: counterparty (public solvency ratio), liquidity (penalties and deferrals), cost (the most certain), clause (questionnaires and exclusions), substance (label-only policies), oblivion (dormant funds).
- A policy is a claim on the company: Solvency II and IVASS watch over it, but solidity can be read — one minute on the solvency ratio.
- The first cause of unpaid capital is an inexact declaration at signature: the questionnaire is filled in like a deed, because it is one.
- Should not buy insurance savings: whoever will not use the privileges, has short horizons, cannot negotiate, seeks returns, or wants to hide.
- Right profiles: income to protect (term life), true transmissions at negotiated costs, conscious stability reserves, key people of a firm.

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11 Separating **the jobs.**

Against the policy that promises everything — protection, returns, transmission — there has always stood a simpler construction: buy the pure risk with a term policy and invest the rest in efficient instruments. «Buy term and invest the difference», as the saying goes. This chapter puts the construction on the series' scales, together with the alternatives for each of the three jobs — because here too the winner is whoever wins the comparison, not whoever reaches the living room first.

11.1 Separating the jobs: the base construction

The construction starts from chapter 1: the three jobs are served better **separately**. Protection is done by **term life insurance**, at its one per mille. Investing is done by the **portfolio** — with the costs, regimes and vehicles of the sister guide on investment taxation. Transmission, for most families, is done by a **will and well-written designations**, plus the dedicated instruments when they are truly needed. The numbers of chapter 9 have shown the differential: at network costs, the all-in-one package charges tens of thousands of euros for apparent convenience.

The advantages of separation go beyond cost: each piece is **replaceable** without touching the others (you change the investment without losing the cover, you update the cover without surrendering the investment), each piece is **comparable** on its own market, and the family understands what it owns. The price of separation is **discipline**: the premium difference must actually be invested, not spent — and here the all-in-one package finds its only honest argument: the behavioural constraint. Whoever knows they lack discipline may legitimately pay for it; they should merely know it, and know how much.

> IN PLAIN WORDS
>
> The all-in-one package is the set menu of a restaurant: convenient, no decisions, an opaque bill. The separated construction is grocery shopping done well: more effort, every price in the open, and the freedom to change butcher without changing baker. The difference in the bill, over twenty years, pays for many dinners.

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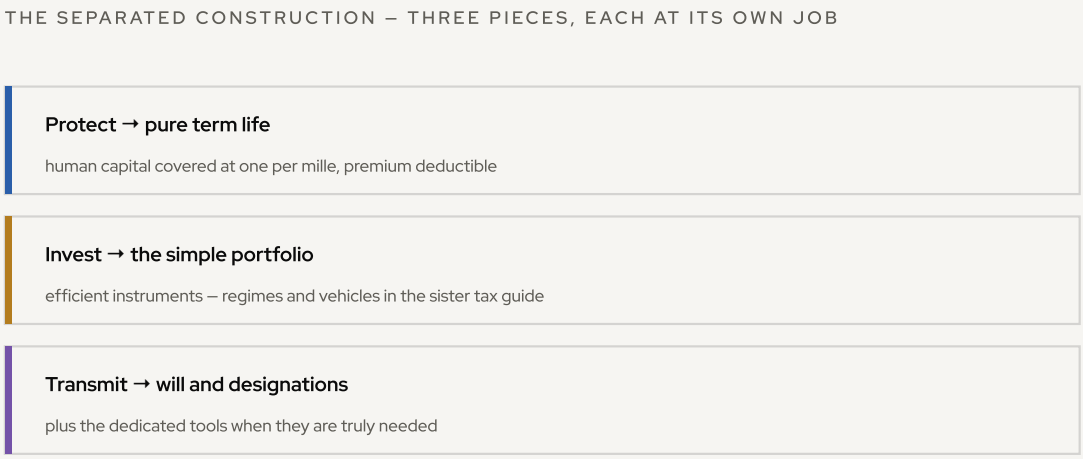

FIGURE 11 The separated construction — Method diagram

11.2 The alternatives, job by job

For stability (the job of the gestione separata): the BTP held to maturity – known return, 12.5 tax, inheritance-tax exemption, no wrapper; the time deposit; the money-market fund. The with-profits policy wins when the lock-in and the stamp-duty exemption matter, or when the holder's own emotions are the main risk. **For transmission**: the well-made will (it costs little and orders everything), the designations on an existing policy, the gift with reservation of the sister guide, and – for complex estates – the trusts and restraints of the sister guide on trusts. The policy remains irreplaceable on one point only: **immediate liquidity outside the estate** to chosen people. **For supplementary retirement**: the pension fund – with its deductibility up to €5,300 a year from 2026, which no ordinary life policy replicates – belongs to another guide, but must be named: many PIPs are sold where an occupational fund would cost a fifth.

The scales table summarises the comparison for the investing job, the most contested of the three.

11.3 The complete scales

The reading method is the series' own: start from the **quantified job** – how much capital to protect, how much to invest, which transmission needs – discard the rows that do not cover it, and among those that remain the winner is the **least costly and most reversible**. In this hierarchy the savings policy occupies the box already seen in the sister guides: the powerful, binding option chosen when the simple ones have been beaten by the facts – the privileges are worth more to that estate than their negotiated price. When it wins that written comparison, you sign with serenity; when it arrives before the comparison, carried by the salesman of the day, chapter 10 has already said what that signature is called.

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CONSTRUCTION	INDICATIVE ANNUAL COST	SUCCESSION PRIVILEGES	REVERSIBLE?
Term life + simple portfolio	~0.3% + term premium	Only on the term policy (exempt capital)	Yes, piece by piece
Network unit-linked	2–3.5%	Full (if a true policy)	Penalties in the early years
Private insurance, negotiated	~0.6–1% + building blocks	Full (if a true policy)	Penalties reduced or absent
Gestione separata (reserve)	retained ~1% + loadings	Full; no stamp duty	Penalties in the early years
BTP to maturity (stability)	~0	Inheritance-tax exemption of government bonds	Yes, saleable

TABLE 2 The constructions, compared

KEY TAKEAWAYS

- The base construction: term life to protect, a simple portfolio to invest, will and designations to transmit — every piece comparable and replaceable.
- The price of separation is discipline: the behavioural constraint is the all-in-one package's only honest argument — to be priced, not endured.
- Stability: BTPs to maturity, deposits, money-market funds — the with-profits policy wins on lock-in, absent stamp duty and emotion.
- Transmission: the policy remains irreplaceable only for immediate liquidity outside the estate; for the rest, a will and dedicated instruments.
- The scales: the least costly, most reversible construction that covers the job wins — the savings policy when its negotiated privileges beat their price.

Invested capital is at risk: its value can fall as well as rise.

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12 The tax, **in one picture.**

The tax pieces have appeared chapter by chapter; here they compose into the organic picture — the life of the contract, the surrender, the death of the insured — with the references and the numbers in their place. It is the pivot chapter for whoever already owns policies and wants to understand what they hold, and for whoever is weighing them and wants the true advantages without rhetorical discounts.

12.1 During the life of the contract: deferral and stamp duty

While the contract lives, tax is almost invisible — and that is the first structural advantage. Returns accrue **with no annual taxation**: coupons, dividends and gains of the underlyings compound gross inside the policy, and **switches** between the menu's funds are not taxable events — an internal netting that a securities account can only dream of (sister guide, chapter on the two boxes). It is the deferral of chapter 3 of the tax guide, in insurance dress: over long horizons it is worth compounded percentage points.

Holding carries a single tax: the **stamp duty** (imposta di bollo) of 0.2 per cent a year on the value — due on **Class III and V** policies, while **Class I is exempt** by law: on prudent long-term savings, the exemption alone is worth a fifth of a point a year, silent and compounding. Since 2025, under the new budget provisions, the stamp duty on Class III and V contracts is paid **year by year** and no longer accrued to surrender. Premiums, except the deductible pure-risk share (€530; €1,291.14 for long-term care), enjoy no deductions: the ordinary life policy is not a pension fund.

12.2 At surrender: the effective rate on the gain alone

At surrender — total or partial — tax falls on the **gain**: the difference between what is received and the premiums paid, qualified as capital income and taxed with the **substitute tax of 26 per cent**, reduced to **12.5 on the share referable to white-list government bonds** among the underlyings — the same variable effective rate as funds, certified by the company. In a **partial** surrender, the gain is extracted proportionally (the withdrawal is part capital and part return, pro rata): useful for planning orderly exits. The company acts as **withholding agent**: the client receives the net, with no tax return to file.

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Three operating notes. On older policies the rate applies **by time layers**: returns accrued up to 31 December 2011 pay 12.5 per cent, those up to 30 June 2014 pay 20, later ones 26 — before surrendering a dated contract, the value of those layers deserves a look: at times it is an asset in itself. The **step-up windows** (affrancamento, 2023 at 14 per cent) have covered policies too: when the legislator reopens them, whoever holds large latent gains and short horizons does the sums quickly. And **assignment or surrender out of need** in the early years pays the contractual penalties *on top of* the taxes: the true net is calculated with both.

> IN PLAIN WORDS
>
> The tax of a policy is a one-way tax: everything moves to the end. No tax while you build, one single tax when you leave, none when you die — on the right part. For whoever has time ahead it is a structural ally; for whoever leaves early, the contractual penalties cost more than the taxes.

12.3 At death: the three exemptions and their perimeter

The moment of the death benefit composes the three privileges into a single passage. **Outside the estate** (art. 1920): the capital goes to the beneficiaries in their own right, with no succession declaration and no waiting. **Exempt from inheritance tax**: by law, in full. **Exempt from IRPEF within the 2015 perimeter**: entirely in term policies; in savings policies, the demographic component is exempt while the accrued **financial returns** pay the substitute tax — the company pays out the net, separating the components (L. 190/2014, circolare 8/E of 2016). The civil-law limit remains that of chapter 7: the premiums count for the legittima; the tax exemption is not a civil-law free pass.

The single picture allows the guide's closing judgement: fiscally, the life policy is an **excellent container for the right problem** — full deferral in life, an orderly exit at surrender, a clean and quick passage at death, with Class I even free of stamp duty. None of these advantages, however, comes free: they are paid for in the costs of chapter 6, and the algebraic sum of chapter 9 remains the only judge. Tax rewards the policy; the costs decide whether the reward reaches the client or stops on the way.

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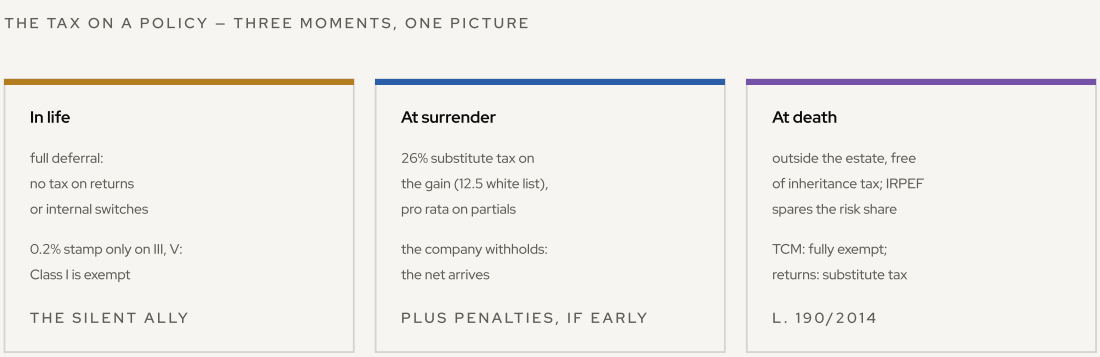

FIGURE 12 The three tax moments

Rules as at September 2026

KEY TAKEAWAYS

- In life: full deferral (switches included), 0.2% stamp duty only on Class III/V — Class I is exempt; deduction only on the pure-risk share.
- At surrender: 26% substitute tax (12.5 on the white-list share) on the gain alone, pro rata on partials; the company is the withholding agent.
- Rates by time layers (12.5 up to 2011, 20 to mid-2014, then 26) and step-up windows: dated policies deserve a look before surrendering.
- At death: outside the estate, exempt from inheritance tax, IRPEF-exempt on the demographic share (term policies: everything); financial returns pay the substitute tax (L. 190/2014).
- Summary: an excellent tax container for the right problem — but tax rewards, costs decide.

Invested capital is at risk: its value can fall as well as rise.

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13 The words **of life insurance.**

The words of life insurance, in alphabetical order and in plain language — from the classes to surrenders, from loadings to beneficiaries. Once learned, every information set, every proposal and every statement becomes readable.

13.1 A–C

Assicurato (insured). The person on whose life the contract rests: if different from the policyholder, their written consent is required (art. 1919 c.c.).

Beneficiario (beneficiary). Whoever receives the benefit, in their own right and outside the estate (art. 1920 c.c.): designated and revocable by will too.

Carenza (waiting period). The initial period without full cover, typical of contracts sold without a medical visit.

Caricamento (loading). The percentage kept from the premium before investment: the first of the four layers of cost.

Consolidamento (lock-in). In with-profits policies, the mechanism by which the revalued capital becomes the new guaranteed floor: it can no longer fall.

Contraente (policyholder). Whoever signs, pays and exercises the rights of the contract: designations, surrenders, assignments.

> IN PLAIN WORDS
>
> If a single entry were to remain, it is «demographic risk»: the part of the contract that pays if life runs its course. It is the substance that makes a policy a policy — and with it stand or fall the privileges that justify all the rest.

13.2 D–K

DIP / Set informativo (information set). The mandatory pre-contract documents: inside are class, costs, exclusions and guarantees — read before, not at signature.

Gestione separata. The segregated pool, accounted at historic cost, to which Class I with-profits policies are linked: returns from coupons and realised sales, never a minus sign in the shop window.

IBIP. Insurance-based investment products under the European rules: for them the KID, with its annual cost impact, is mandatory.

IDD. The insurance distribution directive: coherence between product and needs, transparency on costs and conflicts.

IVASS. The supervisory authority for Italian insurance.

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KID. The key information document: total costs (RIY), scenarios, risks — the page worth the reading.

13.3 M–R

Multiramo (multi-class). The contract that combines a gestione separata (Class I) and units (Class III) in written proportions — at times changeable by the company.

Penale di riscatto (surrender penalty). The exit cost of the early years: it turns second thoughts into a fine.

Premio (premium). What is paid in: single, recurring or additional. In pure-risk contracts it buys cover; in savings contracts it is invested net of loadings.

Ramo (class). The legal classification of life contracts: I (human life and with-profits), III (unit- and index-linked), IV (long-term care), V (capitalisation), VI (pension funds).

Riscatto (surrender). The early exit from the contract: the substitute tax is paid on the gain and, in the early years, the penalties.

Rischio demografico (demographic risk). The risk tied to human life transferred to the company: the insurance substance of the contract — without it, for the Cassazione, the policy is a financial instrument.

13.4 S–V

Solvency II / solvency ratio. The European capital rules for insurance companies and their solidity index: public, readable in a minute.

TCM (temporanea caso morte). Term life insurance, the pure risk: capital to the beneficiaries if the insured dies within the term; premiums deductible at 19%, capital exempt from everything.

Vincolo di polizza (policy lien). The earmarking of the benefit as security for a debt (typically the mortgage): it limits the availability of the contract while the debt lives.

Trattenuto (retained margin). The slice of the gestione separata's return that stays with the company before crediting to the policy.

Unit linked. The Class III policy whose value follows the units of the underlying funds: risk on the policyholder, costs in layers, privileges tied to the insurance substance.

KEY TAKEAWAYS

- The key words are few: class, demographic risk, loading, surrender, beneficiary — learned once, every proposal becomes readable.
- When the glossary's answer is not enough, the information set, the codice civile and professional advice are what counts.
- No glossary replaces the method of chapter 9: the two calculations, done on your own numbers, before every signature.

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A PARTING WORD

The signature is **only the beginning.**

This guide ends here; the decisions do not. A life policy is a contract that crosses decades and generations — and like every long commitment it pays off only in the service of a plan: the family protected in its worst scenario, the capital that reaches the right people quickly, the reserve that sleeps soundly.

If reading has raised questions about your own situation — whether the policies you hold do the job you bought them for, what they really cost, whether the beneficiaries are the right people written in the right way — that is the signal that the most useful part of the work begins now.

A confidential conversation, with no obligation, is the simplest way to find out together. The contact details are on the last page.

Massimiliano Silla

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To be read, **before deciding.**

This guide has an exclusively educational and informational purpose. It does not constitute investment advice, a personalised recommendation, a solicitation of public savings or an offer of financial instruments. Investment decisions should be taken only after an assessment of one's personal situation — objectives, time horizon, capacity to bear losses — where necessary with the assistance of a professional.

Invested capital is at risk. The value of any investment can fall as well as rise; past performance is not indicative of future performance. Insurance benefits depend on the terms of the individual contract and on the solidity of the company: before acting, and in particular before surrendering, replacing or signing a policy, a professional review (adviser, notary, tax specialist) is appropriate, since many of these decisions are costly or impossible to reverse.

The data and rules cited are updated to September 2026, unless otherwise indicated. Legislation — tax legislation in particular — changes over time: before any decision it is worth verifying that the picture described is still current. The data come from public sources believed to be reliable (legislative texts, Agenzia delle Entrate, case law, market practice), which are not, however, guaranteed.

No specific issuer or product is recommended in this guide; structures and clauses are described in generic form. The numerical examples are hypothetical and serve only to illustrate the mechanisms described. The photographs on the part pages come from Wikimedia Commons (CC0 licence; photographs by Luca Bravo, Chester Alvarez and Helloquence).

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A first confidential conversation, with no obligation, to understand where to start.

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