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FINANCIALS GROUP



Family Planning: Interview with Cédric Sage

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What is family planning, and why is it essential for Franco-American families in the United States?

Family contingency planning provides financial protection for a family in the event of unexpected events, such as death, disability or loss of income. In the U.S., it is essential to supplement the often basic employee coverage with private solutions. Unlike France, where the welfare state plays an important role, families here must take responsibility for their own financial security.

What are the main risks?

The main risks are death, disability and civil liability. Car and home insurance are often insufficient to cover the large sums involved in litigation. It's important to take out additional insurance, such as an umbrella policy, which protects all family members against greater risks, such as accidents in the home or during leisure activities, which are often overlooked.

How can I protect my family financially in the event of unforeseen events?

American life insurance and disability insurance offer immediate financial protection in the event of death or disability. What's more, in the United States, disability insurance is often limited at employer level. Therefore it can be essential to reinforce it with private solutions to ensure continuity of income.

What is the difference between French and American life insurance?

American life insurance offers leverage with permanent death cover, which does not exist in France. In France, heirs recover the savings and associated interest, benefiting from an attractive tax system. In the U.S., some life insurance policies combine the features of a tax-exempt capital sum, enabling cash value to be built up, with a death benefit that never expires as long as you pay the premium (unlike traditional maturity cover). The existence of a financial instrument with these unique parameters helps make it possible, for example, to tackle international succession and retirement issues in a more optimal way.

How can I protect my spouse and children in the event of divorce or remarriage?

Death and disability cover provides security for spouses and children. This is particularly important in the event of divorce or remarriage. A spouse with no income and the children could find themselves at a loss in the event of the death or disability of the working spouse. In the event of divorce, these coverages ensure continuity of alimony payments. In the event of remarriage, these insurances can protect the interests of children from a previous union, even if testamentary documents favor the new spouse.

What advice would you give to families with disabled children about planning for their financial future?

It's crucial to work with a team of professionals, specialist lawyers and financial advisors, to put in place suitable solutions. A Special Needs Trust is often an appropriate option for ensuring a child's quality of life, while preserving access to government benefits. This is important, as it often means dealing with special problems that persist long after the parents have passed away. It is essential to finance this legal instrument through leverage.

What is the tax status of death cover and American life insurance?

Death benefits are tax-exempt up to federal estate limits. The life capital of US hybrid life insurance grows income tax-free and can be withdrawn tax-free if used correctly. The attractive tax treatment of this instrument, and the immediate liquidity it provides, make death cover particularly attractive for international inheritance purposes, especially in the event of a potential return to France in an unfavorable inheritance context, and especially if this instrument is guaranteed for life. A sound contingency planning strategy will ensure the long-term survival of your family's assets.

What are the advantages of integrating life insurance into an overall retirement strategy?

American life insurance, in addition to its death benefit has some tax advantages and guaranteed capital, can help secure additional retirement income while providing additional flexibility. It can be integrated into an overall wealth management strategy, increasing retirement income while minimizing risk.

What other financial tools should be combined with life insurance?

Asset diversification is essential. Protection vehicles should be combined with other financial tools such as retirement savings and investments to create a balanced and secure overall family strategy. Each family needs to tailor these solutions to its own objectives and financial situation.

How does USAFrance Financials help its clients implement personalized strategies?

USAFrance Financials is a wealth management firm that offers personalized solutions. We start with a detailed financial analysis to understand each client's needs and develop recommendations tailored to their objectives. We also provide regular follow-up to adjust strategies.

Do you have any concrete examples of good family planning?

We've had customers who unfortunately passed away prematurely. Thanks to proper planning, their families were able to maintain their standard of living, despite the loss of their main financial support. This just goes to show how important it is to plan ahead and structure your pension provision properly.

What are the specific pension challenges faced by Franco-American families, and how can they be overcome?

Franco-American families have to deal with two very different systems. The American system is less protective, and it's essential to understand specific risks such as medical costs or civil litigation. We educate our customers about these risks and help them mitigate them through tailored solutions.

What advice would you give to a family who wants to start planning for retirement today?

It's never too early to start planning. Insurance products are often less expensive when you're young and in good health. We advise families to make an appointment as soon as possible to establish a solid strategy tailored to their situation.



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