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Class 21 Life Insurance

Belgium: Financial Services and Markets Authority (FSMA)

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Class 21 Life Insurance

What is class 21 life insurance?

Class 21 life insurance is also sometimes referred to as savings insurance because it is a savings product in the form of a life insurance contract. Under a class 21 life insurance policy, repayment of the capital and interest is guaranteed.

How does it work?

There are several options for a class 21 life insurance product. For example, you can invest a one-off sum or pay in a certain amount every year. The term of a class 21 product may be limited but there are also unlimited contracts. A class 21 contract can also include death cover in the case of the policyholder's death during the term of the contract.

When a class 21 life insurance product is paid out, you receive the money paid in minus costs. In addition, you are paid the guaranteed return and potentially a profit share. This profit share is not established in advance or guaranteed, and it depends on how much money the insurance company makes.

What rules apply?

Class 21 life insurance must comply with the provisions of the insurance legislation.

Certain rules also apply to the distribution of certain class 21 life insurance products as regards the information that must be provided to the client. Advertising for these products has to meet certain legal requirements.

The funds in a class 21 life insurance product come under the deposit protection scheme. This means that the Deposit and Financial Instrument Protection Fund intervenes if an insurer is no longer able to meet its obligations.

What is the FSMA's role?

The FSMA supervises the legislation regarding the provision of information and advertising for class 21 insurance products. Once the information and advertisements are used, the FSMA can examine whether these comply with the legal requirements.

The FSMA also supervises compliance with the insurance law and legislation.

Where can you get more information?

You can find more information on class 21 life insurance on Wikifin.be ([French](#) [↗] - [Dutch](#) [↗]).

You can find more information on the deposit protection scheme on the website of the [Deposit and Financial Instrument Protection Fund](#) [↗].