

## FLI is eligible for benefits under new “*Vie Génération*” life insurance policies

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**SNI Group’s recently-created intermediate housing investment fund, Fonds de Logement Intermédiaire (FLI), is the first fund to offer institutional investors exposure to intermediate housing that gives entitlement to the specific benefits available under “Vie Génération” life insurance policies.**

“Vie Génération” life insurance policies were created on 1 July by the Amending Finance Law of 2013 with the aim of channelling savings into production. The two implementing decrees setting out the related tax treatment were published on 6 and 7 September last. “Vie Génération” policies give entitlement to favourable tax treatment provided that one-third of plan assets are invested in social and intermediate housing, SMEs (via venture capital funds) or in the social economy and solidarity sector.

Among these different categories of assets, the intermediate housing marketed by FLI – wholly located in densely-populated, rapidly growing areas – has a particularly defensive investment profile. The second round of financing currently in progress should therefore be of considerable interest to insurers who may choose to invest either directly, or on behalf of their individual saver-policyholders, by incorporating units of FLI into “Vie Génération” life insurance policies. By doing so, exposure to riskier growth assets could be offset by residential housing investments which are by nature much less volatile.

### **Tax breaks for individual policyholders**

For private investors, opting for “Vie Génération” policies could be a way of boosting the tax efficiency of their life insurance investment: in addition to the traditional tax benefits of life insurance, there is also 20% tax relief on all sums passed on in the event of death.

### **An opportunity for insurers to offer “defensive” unit-linked products**

In 2013, over 80% of life insurance premiums were generated by non-unit-linked funds. Lower interest rates are encouraging investors to seek out unit-linked policies that pay higher yields while remaining relatively secure. FLI offers an overall return of 7% and uses rental income to pay out an index-linked dividend of 3.5% from the end of the first year.

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### **SNI Group**

As Caisse des Dépôts' public interest real estate subsidiary and France's biggest social landlord, SNI Group actively supports stimulus programmes in the construction sector approved by the President of the Republic.

As a global real estate operator and landlord of reference for major state institutions, SNI helps public stakeholders to deploy housing policies. The Group provides them with innovative and sustainable solutions focused around social diversity and cohesion. It can therefore meet a dual objective: helping to expand the social and intermediate housing offer in supply-constrained areas, and promoting home ownership. SNI Group has a footprint throughout mainland France through its 19 entities: SNI and its five historical entities, Sainte-Barbe, and 13 low-cost housing companies (ESH).

**For further information go to: [www.groupesni.fr](http://www.groupesni.fr)**

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