

## General Information Leaflet - Flexible Protection Plan

The Equitable Life Flexible Protection Plan provides both life cover and a savings element. The plan runs for 10 years. At the 10<sup>th</sup> anniversary, and every 10<sup>th</sup> anniversary thereafter, there is the option to take the maturity value or extend the plan for a further 10 years.

The plan is reviewed regularly to ensure the level of premium is sufficient for the level of life cover. Reviews are carried out when the plan matures on the 10<sup>th</sup> anniversary. The plan may also be reviewed at other times. This will usually be on every 5<sup>th</sup> plan anniversary or, if a life assured has reached age 65, annually on the plan anniversary.

If the review shows that to continue the plan a change will be needed for the next 10 year period, the following options will be available:

- a) Reduce the life cover while keeping the current premium, or
- b) Increase the premium to maintain the life cover, either at the current level or a specified amount.

We will let you know if any change is required and ask you to let us know your chosen option before the anniversary date.

### Maximum Investment Plan

If you chose the maximum investment/minimum life cover option, we still review your plan to check no changes are needed. We will let you know should any action be needed.

## Options for your plan

### Full Surrender - Available at anytime

The plan may be surrendered at any time but for with-profits policies guaranteed terms apply only on certain dates.

### Partial Surrender - Only available for plans effected after 14 April 1992

Partial withdrawals can be made. The life cover and the premium you pay would be reduced proportionately.

### Continuation Option - Available on the 10<sup>th</sup> anniversary

At the 10<sup>th</sup> anniversary, and every 10 years thereafter, the plan can be extended for a further 10 year term. This will depend on the outcome of the plan review, as detailed above.

If you wish to choose this option, you must tell us before the maturity date of the plan, otherwise the option to extend is lost. The only option then would be to take the maturity value.

### Protection Option - Available on any anniversary

On any plan anniversary you may have the option of altering the life cover benefit provided by the same premium. This is subject to minimum and maximum limits and the investment content would be affected by any change. Any increase will be subject to satisfactory medical evidence being provided.

This option is not available for Maximum Investment Plans.

### **Nominal Premium - Only for unit-linked plans effected before 24 February 1988**

At the 10<sup>th</sup> anniversary, and every 10 years thereafter, you have the option of paying a reduced premium of £3.00 per annum or £0.50 per month. No further units are purchased by your premium but the plan will continue to remain invested. The reduced level of life cover will depend upon the age of the lives assured and can be confirmed if this option is available.

Partial surrenders may be taken from the plan with no income tax liability. You may take a minimum of £100, leaving a minimum of £100 in the plan.

### **Illness or Disability - Only for plans written after 14 April 1992**

The policy can be surrendered if the life assured should contract an illness or suffer an accident which results in:

- Expectation of life being reduced by at least 25%;
- Mobility of the life assured being reduced by at least 25%;
- Inability to be able to support himself or herself without full-time nursing.

The underlying value of the plan plus any capital distribution would be payable.

A registered medical practitioner would need to confirm if one or more of the conditions applied.

### **Requirements for Surrender or Maturity**

We will require a completed payment form signed by all legal owners. We may also require the following items, where needed:

- Evidence of Identity for each legal owner
- The original policy schedule
- All deeds and documents affecting ownership of the plan
- A Tax Status Self-Certification Form for each payee

If you live in the UK, we may be able to check your identity electronically using a system provided by a credit reference agency. The agency will keep a record of our search however the search will not affect your credit rating. If we are unable to verify your identity electronically, we will ask you to provide further identity verification documents.

## **Death Benefits**

The death benefit is the life cover benefit or, if greater, the total plan value.

For a joint life plan on a last survivor basis, the death benefit becomes payable on the death of the last surviving life assured. For a joint life plan on a first death basis, the death benefit becomes payable on the death of the first to die of the two lives assured.

## **Chargeable Gains - Important tax information regarding your plan**

Flexible Protection Plans are written as qualifying life assurance plans. A qualifying life assurance plan usually provides tax-free benefits on death or maturity.

From 6 April 2013, HM Revenue & Customs introduced new rules applying to qualifying life plans. These rules restrict the tax relief available for new qualifying plans or those that have their term extended. The restriction limits the amount of premiums payable into all qualifying plans held by a beneficiary to £3,600 in any 12 month period.

The leaflet Qualifying Life Assurance Policies - Liability to Income Tax provides further information.

## With-profits Information

### IMPORTANT MESSAGE ABOUT YOUR SAVINGS

We have announced plans regarding the future of the Equitable. If approved, the Proposal will increase the value of your with-profits policy, convert it from with-profits to unit-linked, remove the investment guarantee and transfer it to Utmost Life and Pensions. Information about the Proposal can be found at [www.equitable.co.uk](http://www.equitable.co.uk)

You should think carefully before taking your savings. If the Proposal is approved, and you take your with-profits savings before implementation, you would miss out on the proposed increase to your policy value.

With-profits plans have a guaranteed value which means there is a minimum amount payable on the maturity date or on death before maturity.

If the plan is paid out when guaranteed terms apply, we compare the guaranteed value with the underlying value of the plan plus any capital distribution, and pay the larger figure.

The surrender value available will be the underlying value of the plan plus any capital distribution, reduced by any financial adjustment.

This value may be significantly less than the guaranteed value.

The guaranteed value will be increased by contributions invested and may be reduced by the life cover charges that are deducted from the plan value.

The financial adjustment for with-profits surrender values is currently 0%, though this may change without notice.

### Switching Funds

There is no option to switch under a with-profits plan.

### Contributions to With-Profits

Premiums must be maintained throughout the term of the plan. If the plan falls into arrears, it will be surrendered and the surrender value paid.

### Contributions Charges

Since the 10<sup>th</sup> anniversary of your plan, 100% of each premium is invested in the with-profits fund.

### Annual Charges

The annual management charge on the with-profits fund is 1.5% currently. An annual charge of 4% of the cost of the life cover is also applied.

## **Unit-linked Information**

When you take your investments, the amount will be calculated using unit prices applicable at that time. Unit prices can go down as well as up.

Unit-linked funds are managed by Aberdeen Standard Investments.

### **Switching Funds**

You can choose to switch between unit-linked funds. There is currently no charge for switching funds, though we may deduct a charge in future without prior notice.

On our website, you can find more information on our with-profits and unit-linked funds. This includes unit-linked fund prices and performance.

There is no restriction on the number of unit-linked funds you can invest in.

For unit-linked plans there is no option to switch into with-profits.

### **Contributions to Unit-Linked**

If the plan falls into arrears no further premiums can be paid. Life cover charges would continue to be deducted. At the next maturity date the maturity value, if any, would be paid.

There may be tax implications if premiums for your plan fall into arrears. The leaflet *Qualifying Life Assurance Policies - Liability to Income Tax* provides further information.

### **Contributions Charges**

Since the 10<sup>th</sup> anniversary of your plan, 100% of each premium is used to purchase units.

### **Annual Charges**

Currently, the annual management charge on unit-linked funds is 0.5%, 0.75% or 1% depending on the fund and an annual charge of 4% of the cost of the life cover is also applied.

## **Life Cover Charges**

Life cover charges are calculated monthly. Each month the total value of your plan is compared to the life cover benefit. If this total plan value is equal to or exceeds the life cover benefit, no life cover deduction is made.

If the total plan value is less than the life cover benefit a deduction is made for the month from the total plan value for the life cover benefit in excess of the total plan value.

For with-profits plans, the total plan value is the underlying value of the plan plus any capital distribution or, if more, the guaranteed value. For unit-linked plans, the total plan value is the total bid value of units.