



**Canada Life**

**Select Account**  
**Discounted Gift Trust (DGT)**

*Policy Provisions*



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## 1. Introduction

The Select Account – Discounted Gift Trust is made up of one or more whole of life Policies issued by Canada Life Limited. The Policies have no specific end date. These provisions apply to each Policy individually.

The Select Account – Discounted Gift Trust is referred to as a Bond within these provisions but is also referred to as an “account” in other literature.

These provisions, any application, any Policy Schedule, and any Endorsements together set out the detailed terms of the contract between you and us.

All these documents include important information and you should read them carefully. If you have any questions, please contact us straight away.

You should keep the documents in a safe place as they may be needed in the event of a claim.

## 2. Interpretation and Definitions

### 2.1 Interpretation

References to ‘Canada Life’, ‘we’, ‘us’ and ‘our’ mean Canada Life Limited.

References to ‘you’ or ‘your’ means the person who legally owns the Bond. The person who legally owns the Bond at the Policy Date is shown in the Policy Schedule as the Policyholder. During the Bond’s lifetime the person who legally owns the Bond will be the trustees named in the trust deed.

The singular includes the plural and the plural the singular.

### 2.2 Definitions

We start certain expressions with a capital letter to remind you that you can look up their meaning here.

‘Adviser Charge’ where applicable, means the fee charged by a professional adviser in relation to the Fund or the Policies or any other advice or service provided which has been arranged in advance with your professional adviser which we have agreed to pay from the Bond;

‘Bid Price’ is the price we will use to credit or cancel Units from the Bond. See section 4.5 for more details. On the Policy Schedule it is shown as the unit price;

‘Bond’ means all the Policies issued within your bond;

‘Endorsement’ means a written record of any change we make to the Bond;

‘External Fund’ means any unit linked fund that is not managed by us, or another company within the Canada Life group but instead is linked to Funds of external companies;

‘Fund’ means any Internal Fund or External Fund offered within the Canada Life Series 5 Life Funds. Each fund is a separate and identifiable fund;

‘Internal Fund’ means any unit linked fund that is managed by us, or another company within the Canada Life group;

‘Life Assured’ means the person or persons on whose life the Bond is based;

‘Nominated Professional Adviser’ means the professional adviser you have authorised to act on your behalf;

‘Nominated Fund’ means the Funds from which you have chosen to transfer Units under the phased investment option;

‘Phasing Date’ means the first and each subsequent monthly or quarterly period starting from when the phased investment option starts. Quarterly means once every three months;

‘Phasing Frequency’ means how often the phased investment option happens. This can be monthly or quarterly;

‘Policy’ means each of the separate and identical contracts into which the Bond has been divided. Where it is split into a number of policies the Premium is split into equal parts, each part being a Premium of a policy. You will only receive one set of provisions but these will apply in identical terms to each separate and independent policy and should be read and treated accordingly. A Policy may also be referred to as a segment;

‘Policy Date’ means the date we apply the Premium. It is stated in the Policy Schedule;

‘Policyholder’ means the person or persons who applied for the Bond;

‘Policy Schedule’ means the document issued for the Bond containing specific information relevant to each Policy;

‘Policy Year’ means a period of 12 months starting on the Policy Date;

‘Premium’ means the payment invested in the Bond. The amount of the payment invested is stated in the Policy Schedule;

‘Registered Office’ means Canada Life Place, Potters Bar, Hertfordshire, EN6 5BA;

‘Selected Fund’ means the Funds to which you have chosen to transfer Units under the phased investment option;

‘Selected Period’ means the length of time you wish the phased investment option to operate. This can be for a period of 6, 12, 24 or 36 months;

‘Unit Allocation Rate’ shown on the Policy Schedule is applied to the Premium to credit Units at the Bid Price to the Bond. See section 4.6 for more details;

‘UK’ means the United Kingdom;

‘Units’ means the units of your chosen Fund. It is one of the equal parts into which the Fund is notionally divided for the purpose of recording the benefits that are due to you. See section 4 for more details;

‘Valuation Day’ means the day we calculate the Value of the Units in each Fund in order to process certain requests, pay claims and to carry out the normal functions of the Bond. Unless stated otherwise in these provisions the Valuation Day will be the first Working Day after we have received our requirements (see Section 12.2) and have accepted the request or claim. The valuation day may have to be delayed under sections 4.4 and 13;

'Value of the Units' means the number of Units held on the Policy at the Valuation Day multiplied by the Bid Price of the Units on the same Valuation Day;

'Working Day' means a day other than a Saturday, Sunday or a public holiday in England. Where the Fund is domiciled, managed, administrated, operated or controlled in a country other than England, working day shall not include a public holiday in that country.

### 3. Premiums

The Premium was paid on the Policy Date. No further premiums can be paid in to the Bond after the Policy Date.

## 4. Funds and Units

### 4.1 Purpose

The purpose of the Funds and Units is to provide a way for us to calculate the value of the benefits payable to or in respect of you from the bond.

### 4.2 General information about the Funds

You can choose to invest in Funds within the Canada Life Series 5 Life Funds.

Within Canada Life Series 5 Life Funds there are Internal Funds and External Funds. The difference between the two is the type of asset that they invest in and the ownership of the underlying assets that make up the Funds.

We, or another company within the Canada Life group, own in our own right all assets of the Internal Funds.

Each External Fund is linked to an underlying fund operated by an external company. All the assets of the External Funds are owned by the relevant external company. Any contracts in relation to External Funds will be between the external companies and us. There is no contractual relationship between the external companies and you.

You can choose up to ten Funds in which to invest your Premium.

All Funds are divided into Units of equal value. Each Unit is a notional share of the Fund. The references to the Fund and Units are made solely to calculate the benefits.

We may create additional Units or cancel existing Units.

No one entitled to benefits under a Policy will have any rights whatsoever in the Funds or in any of the assets they hold. These will always remain our property.

When a new Fund is added to our fund range we will add details of the Fund to our website ([www.canadalife.co.uk](http://www.canadalife.co.uk)).

## 4.3 Fund closure or suspension

### 4.3.1. Closure

We may close, withdraw and combine Funds if we believe that it is reasonable to do so. We may do this for any of the following reasons:

- (a) poor performance of the Fund;
- (b) the Fund becomes uneconomic to run;
- (c) a change in law or regulation makes the Fund impossible or impractical to run;
- (d) operational considerations and corporate changes;
- (e) appropriate assets are unavailable for the Fund to invest in;
- (f) the manager of a fund underlying an External Fund decides to close that fund or we have concerns about the governance of that Fund.

If you hold Units in such a Fund we will cancel all of the Units you hold in that Fund and replace them with Units in another Fund that has similar characteristics. We will not make a charge for this.

We will try to tell you at least one month before we withdraw, close or combine a Fund. If that is not possible, we will give you as much notice as we can.

### 4.3.2. Suspension

Funds may be suspended for reasons within or beyond our control. The actions we take depend on the circumstances of the suspension. We will notify you about the suspension of a Fund as soon as we can.

## 4.4 Valuation of the Funds

Each Working Day we will calculate the maximum and minimum value of each Fund. Where it is not possible to value a Fund on a particular Working Day it will be valued on the next practical Working Day.

Each external company values its own Funds at its complete discretion and then provides us with a price or prices, which we use in valuing the External Fund.

The maximum value we place on assets in the Funds is the market price for which they could be bought plus any dealing and other related costs that we may pay on purchase.

The minimum value we place on assets in the Funds is the market price for which they could be sold less any dealing and other related costs that we may pay on sale.

In valuing the Funds we will make allowance for:

- (a) our actual or potential liability for income tax, capital gains tax, capital levy or any other tax or levy which relates to the Bond;

- (b) the deduction of any tax on its investment income; and
- (c) the deduction of all expenses and payments in connection with its investments.

The expenses and payments include but are not limited to management, investment management, maintenance and property valuation expenses, mortgage interest, custody and bank charges and any borrowing costs.

We take the value of an asset as follows:

- (a) for a listed security, we base the value on the price quoted on the relevant stock exchange we have chosen;
- (b) for real properties we base the value on a valuation prepared and certified by our appointed independent valuers. After talks with our valuers these values may change to allow for rising income and expenses and changes in property prices between the valuations;
- (c) for assets in External Funds each external company values its own funds at its complete discretion and then provides us with a price or prices, which we use in valuing the External Fund.

Where an external company cannot provide us with a price we will not be able to value the External Fund until a price is next available.

The exact value of each Fund can depend on the money being invested in and coming out of, the Fund.

- (a) If the money being invested in the Fund is more than the money coming out of it, the Fund Manager will have cash to spend. So, the most appropriate valuation is the price that we can buy assets, plus an estimate of the costs of buying them (the maximum value).
- (b) If the money coming out of the Fund is more than the money being invested in it, the Fund manager will have to sell assets to pay customers' claims and switches from that Fund. So, the most appropriate valuation is the price that we can sell assets at, less an estimate of the costs of selling them (the minimum value).

#### 4.5 How we calculate the Bid Price of each Fund

**4.5.1** We will use the Bid Price to sell and buy Units for the Bond.

**4.5.2** The Bid Price will not be less than that calculated by dividing the minimum value of the Fund by the number of Units of that Fund at the time of the valuation, nor will it be more than that calculated by dividing the maximum value of the Fund by the number of Units of that Fund at the time of the valuation, both as

determined in section 4.4. Both the minimum and maximum Bid Prices will be rounded down to one decimal place.

#### 4.6 How Units are allocated to the Bond

**4.6.1** When the Premium is paid we will add a number of Units, from your chosen Fund, to the Bond.

**4.6.2** The number of Units added to the Bond, for each of your chosen Funds is calculated as follows:

We multiply the Premium by the proportion of the Unit Allocation rate to be invested in the chosen fund and divide the result by the Bid Price on the next available Working Day after the Policy Date.

The calculation can be expressed by the formula:

$$\frac{\text{Premium} \times \text{the proportion of the Unit Allocation Rate to be invested in the Fund}}{\text{Bid Price on the next available Working Day after the Policy Date}}$$

**4.6.3** The number of Units added is rounded down to the nearest 1/1000th of a Unit.

**4.6.4** The proportion in which the Unit Allocation Rate is allocated to the Funds can be changed in line with section 5.

#### 4.7 Bonus Units

At the end of the fifth Policy Year and every five years after that we will purchase additional Units proportionately across the Funds held on the Bond.

The number of Units added is equal to 0.5% of the Value of the Units.

Any allocation of additional Units will be rounded to the nearest 1/1000th of a Unit.

Where a regular withdrawal under section 10 would occur on the same day the payment of the withdrawal will happen before the additional Units are purchased.

### 5. Fund switching

#### 5.1 General information about fund switching

You or your Nominated Professional Adviser can exchange ('switch') some or all of the Units held in the Bond in a particular Fund for Units in a different Fund.

All requests to switch must be received by us at our Registered Office in writing, by post, email or fax. See section 12.3 for details.

We will only allow switching between Funds if the amount being switched out and the amount left in that Fund after the switch are above our minimum levels at the time of your request. Otherwise we may refuse to carry out your request to switch.

We may change the minimum levels at our reasonable discretion but at the time of issuing this Policy the levels are £250.

The minimum levels are to prevent impractical amounts being switched out of Funds, or impractical amounts being left in Funds. Details of our minimum levels can be found on our website ([www.canadalife.co.uk](http://www.canadalife.co.uk)) or by contacting our Registered Office.

## 5.2 Charge for switching

There is no charge made for Fund switches.

We may introduce a charge for switching Funds in the future if the administration costs incurred by us for dealing with Fund switching requests increases. We will normally give you three months' notice by publicising it on our website. If that is not possible we will give you as much notice as we can. Alternatively, you can contact us before deciding to switch.

If a charge for switching Funds is to be taken from the Bond it is made by deducting Units from those already held on the Bond.

## 5.3 When and how we carry out a request to switch Funds

If we carry out your request to switch, unless section 5.4 applies, it will take place using the Bid Prices of the Units on the Valuation Day after we have received and accepted your request.

You can tell us the percentage or the monetary value of the Units you want to switch from the original Fund to the selected Fund which will be applied across all Policies in the Bond.

We will cancel the Units being switched out of the original Fund and add the number of new Units to the selected Fund.

The number of Units allocated after the switch will be calculated so that their value is equal to that of the Units being cancelled, less any charge for switching Funds described in section 5.2.

## 5.4 When we may delay your request to switch Funds.

Where a phased investment option under section 6 would occur on the Valuation Day we will delay carrying out a request to switch to the next practical Working Day.

We may also delay carrying out a request to switch if the Funds concerned invest directly or indirectly in freehold or leasehold property or land or non-sterling securities. Please refer to section 13.

# 6. Phased investment

## 6.1 General information about phased investment

You or your Nominated Professional Adviser can request a phased investment option at any time during the lifetime of the Bond. The details of your selected phased investment option will be shown in either the Policy Schedule or an Endorsement.

Once a phased investment option has been selected it cannot be changed. However, you can stop it at any time. All requests to stop the phased investment option must be in writing and received by us at our Registered Office. We will then stop the phased investment option from the next Phasing Date provided we receive the request at least 15 calendar days before that Phasing Date. If the request is not received at least 15 calendar days before the next Phasing Date we will stop the phased investment option at the next practical Phasing Date.

A phased investment option will automatically stop when one of the following happens:

- (a) the Selected Period ends;
- (b) a death benefit becomes payable under section 8;
- (c) the Bond is totally surrendered under section 10.1;
- (d) the Units of all the Nominated Funds are exhausted;
- (e) a valid deed of assignment is accepted by us;
- (f) a valid power of attorney document is accepted by us;
- (g) a Nominated Fund or a Selected Fund is withdrawn, closed or combined; or
- (h) a Nominated Fund or a Selected Fund is suspended.

You can choose any combination of Nominated Funds and Selected Funds subject to an overall maximum of ten.

Where the Phasing Date is not a Working Day, the phased investment option will take place on the next Working Day.

Where the Phasing Date is on the 29th, 30th or 31st of a month, in the event of a month without these dates, the phased investment option will take place on the last day of that month. However, if the last day of the month is not a Working Day, the phased investment option will take place on the next practical Working Day.

Where it becomes impossible for us to operate the phased investment option on a particular Working Day due to business interruptions outside of our control, the phased investment will take place on the next practical Working Day.

## 6.2 Phased investment options

Only one of the following phased investment options can be selected:

- (a) to phase invest all of the Units held in your Nominated Funds. Please refer to section 6.3.2.
- (b) to phase invest a percentage of the Units held in your Nominated Funds. Please refer to section 6.3.3.
- (c) to phase invest a fixed amount held in your Nominated Funds. Please refer to section 6.3.4.

Once one of the phased investment options has been chosen the following must be decided:

- (a) the Selected Period;
- (b) the Phasing Frequency;
- (c) the Nominated Funds;
- (d) the individual percentages to be phase invested from each Nominated Fund under section 6.3.3;
- (e) the individual fixed amounts to be phase invested from each Nominated Fund under section 6.3.4;
- (f) the Selected Funds; and
- (g) the individual percentages to be phase invested into each of the Selected Funds.

### 6.3 How the phased investment options operate

**6.3.1** We will cancel the Units held in the Nominated Funds and replace them with the new number of Units in the Selected Funds. The cancelled Units and the replacement Units are calculated using one of the methods described in sections 6.3.2 to 6.3.4.

On any Phasing Date if the number of Units or the amount left in any of your Nominated Funds is insufficient to meet the phased investment option in full, then we will only phase invest the remaining Units or amount left in your Nominated Funds.

The phased investment option will automatically stop for a Nominated Fund once the number of Units or the amount left in that Nominated Fund has been exhausted. However, the phased investment option will continue under your other Nominated Funds.

The phased investment option will stop completely once all Units or amounts have been exhausted in all your Nominated Funds or at the end of the Selected Period, if sooner.

The number of Units is rounded down to the nearest 1/1000th of a Unit.

#### 6.3.2 Full Option

- (a) divide all the Units held in the Nominated Funds by the Selected Period to calculate how many Units will be phase invested each month,
- (b) if your Phasing Frequency is quarterly we will then multiply the number of Units calculated above by three,
- (c) on each Phasing Date we will multiply the number of Units to be phase invested by the Bid Prices of the Nominated Funds to calculate the amount to be used to buy Units in your Selected Funds,
- (d) we will then multiply the amount calculated in (c) by the percentages you have chosen for each Selected Fund to calculate the amounts to be phased invested into each Selected Fund,

- (e) the amounts calculated in (d) will then be divided by the Bid Prices of the Selected Funds to work out the number of Units you will have in the Selected Funds.

#### 6.3.3 Partial Option

- (a) for each Nominated Fund multiply all its Units by your chosen percentage to calculate how many Units under each Nominated Fund will be phase invested,
- (b) for each Nominated Fund divide the number of Units calculated in (a) by the Selected Period to calculate how many Units under each Nominated Fund will be phase invested each month,
- (c) if your Phasing Frequency is quarterly we will then multiply each number of Units calculated in (b) above by three,
- (d) on each Phasing Date we will multiply each number of Units to be phase invested by the Bid Prices of the Nominated Funds,
- (e) we will then add together the amounts calculated in (d) to calculate the total amount to be used to buy Units in your Selected Fund,
- (f) we will then multiply the total amount calculated in (e) by the percentages you have chosen for each Selected Fund to work out the amounts to be phase invested into each Selected Fund,
- (g) the amounts calculated in (f) will then be divided by the Bid Prices of the Selected Funds to calculate the number of Units you will have in the Selected Funds.

#### 6.3.4 Fixed Amount Option

- (a) for each Nominated Fund divide your chosen amount by the Selected Period to calculate the amount under each Nominated Fund to be phase invested each month,
- (b) if your Phasing Frequency is quarterly we will then multiply the amounts calculated in (a) above by three,
- (c) on each Phasing Date we will divide the amounts calculated in (a) or (b) if your Phasing Frequency is quarterly by the Bid Prices of the Nominated Funds to calculate the number of Units to be cancelled in your Nominated Funds,
- (d) divide the total amount you have chosen to phase invest by the Selected Period to calculate the amount to be phase invested into the Selected Funds each month,
- (e) if your Phasing Frequency is quarterly we will then multiply the amount calculated in (d) above by three,

- (f) the amount calculated in (d) or (e) if your Phasing Frequency is quarterly will then be multiplied by the percentages you have chosen for each Selected Fund to calculate the individual amounts to be phase invested into each Selected Fund,
- (g) on each Phasing Date the individual amounts calculated in (f) will then be divided by the Bid Prices of the Selected Funds to calculate the number of Units to be added to your Selected Funds.

## 7. Charges

### 7.1 Monthly management charge

A monthly management charge is payable. It is paid by deducting Units, monthly in advance, proportionately across all Funds held on the Bond.

This charge is calculated by multiplying the Value of the Units by the percentages shown in the table below.

For the first charge, the Valuation Day used to calculate the Value of the Units will be the next Working Day after the Policy Date.

After the first charge, the Valuation Day used to calculate the Value of the Units will be the day on which each subsequent monthly anniversary of the Policy Date falls. However, if a monthly anniversary falls on the 29th, 30th or 31st or is not a Working Day, the Valuation Day for this purpose will be the previous practical Working Day.

Value of the Units	Monthly Management Charge
First £25,000	0.0500%
the next £15,000 – the amount between £25,000 and £40,000	0.0333%
The next £60,000 – the amount between £40,000 and £100,000	0.0291%
The next £150,000 – the amount between £100,000 and £250,000	0.0270%
above £250,000	0.0250%

We can review this charge and may reduce or increase it. A decision to change the charge will be based on one or more of the following factors:

- (a) changes in the cost of administering and managing the Bond;
- (b) the charging structures of policies of a similar type in the market place;
- (c) any past changes to this charge;
- (d) external factors such as change in legislation.

We will normally give you three months' notice of such a change by publicising it on our website. If that is not possible we will give you as much notice as we can.

### 7.2 Investment management charge

An investment management charge will be taken from the Funds when they are valued. It is taken in addition to the monthly management charge and is reflected in the unit prices of the Funds. The amount of this charge depends on the Funds you have chosen.

We can increase or reduce this charge if the amount charged by a fund manager changes. We will normally give you three months' notice of such a change by publicising it on our website. If that is not possible we will give you as much notice as we can.

The current investment management charges and any changes to these charges can be found on our website ([www.canadalife.co.uk](http://www.canadalife.co.uk)) or by contacting our Registered Office.

### 7.3 Adviser Charge Deductions

You can ask us to pay an Adviser Charge from the Bond at any time by completing an adviser charge payment request form.

If we agree to pay an Adviser Charge, it will be taken proportionately from all the Funds held on the Bond. It is made by deducting Units.

We may delay paying an Adviser Charge if the Funds concerned invest directly or indirectly in freehold or leasehold property or land or non-sterling securities. We will not delay paying an Adviser Charge beyond six calendar months.

#### 7.3.1 One-off Adviser Charge

Once we have received your fully and correctly completed adviser charge payment request form, we will, if we agree, pay an amount equal to the one-off Adviser Charge.

We will calculate the number of Units to be deducted from the Bond using the Bid Prices of the Units on the next Valuation Day.

#### 7.3.2 Ongoing Adviser Charge

Once we have received your fully and correctly completed request we will, if we agree, set up the payment of an on-going Adviser Charge.

You can ask us to pay the on-going Adviser Charge monthly, quarterly, half-yearly or yearly and you can specify the date on which it is to be paid. This date must be between the 1st and the 28th inclusive.

If you tell us the month but not the date on which the on-going Adviser Charge is to be paid, we will use the day of the Policy Date and will commence the payment from the month you requested.

Example:

- Policy date is 10 February
- On-going Adviser Charge to be paid from March



- On-going Adviser Charge will commence from 10 March

We will calculate the number of Units to be deducted from the Policy using the Bid Prices of the Units on the date the Adviser Charge is to be paid.

Once an on-going Adviser Charge has started to be taken from the Policy we will continue to pay it until one of the following happens:

- (a) you write and ask us to cancel or change the request; or
- (b) the Policy does not have enough Units to pay the on-going Adviser Charge; or
- (c) the date you specified that the on-going Adviser Charge payments are to stop is reached; or
- (d) a valid deed of assignment is accepted by us.

We reserve the right to stop payment of the on-going Adviser Charge. We will contact you if we are going to stop (or have stopped) the payment of the ongoing Adviser Charge. We will normally give you three months' notice of such a change. If that is not possible we will give you as much notice as we can.

## 8. Death benefit

### 8.1 General information about the death benefit

You must tell us when a Life Assured dies and provide us with their death certificate. Please refer to section 12.2 for other documents that we may require sight of.

We will only pay out the death benefit:

- (a) on the death of the Life Assured, under a 'single life' bond; or
- (b) on the death of the last surviving Life Assured, under a 'joint life last death' bond.

The basis of your Bond is shown in the Policy Schedule.

### 8.2 Benefit payable on death

**8.2.1** Following notification of the death we will pay 100.1% of the Value of the Units at the next Valuation Day.

**8.2.2** Once we have paid the relevant death benefit all the Units held on the Bond will be cancelled, the Bond will end and no further benefits will be payable.

## 9. Benefit Options during the lifetime of the Policyholders

### 9.1. Regular withdrawals

Regular withdrawals can be payable monthly, quarterly, half yearly or yearly in arrears.

The regular withdrawals are paid by deducting Units proportionately across all Funds held on the Bond. We will calculate the number of Units to be deducted by dividing the regular withdrawal by the Bid Prices of the Units on the date each payment is due.

The regular withdrawals cannot be altered and will continue until one of the following happens:

- the Policyholders or the survivor of them dies; or
- there is not enough Units left in the Bond to pay the withdrawal.

#### 9.1.1

We may delay paying the regular withdrawals. Please refer to section 13.

### 9.2 Surrender

Except under sections 7.3 and 9.3 neither the Bond nor a Policy can be totally or partially surrendered during the lifetime of the Policyholders.

### 9.3 Inheritance Tax liability

You can ask us for a one-off partial surrender from the Bond in the following circumstances:

- (a) Where you require funds to settle a liability to UK inheritance tax under section 64 of the Inheritance Tax Act 1984 (the 'ten year charge'). We may require evidence of the tax liability before accepting the claim.
- (b) Where you require funds to meet a claim made by the Policyholder under section 538 of the Income Tax (Trading and Other Income) Act 2005 to recover income tax payable by the Policyholder as a result of the partial surrender payable in (a). We may require a copy of the certificate produced by HM Revenue & Customs of the amount recoverable by the Policyholder before accepting the claim.

We will pay the amount requested once we have received your fully and correctly completed request form.

The amount requested will be taken proportionately across all Funds held on the Bond by deducting Units.

We will calculate the number of Units to be deducted from the Bond by dividing the partial surrender payable by the Bid Prices of the Units on the Valuation Day.

We may delay carrying out your request to take this one-off partial surrender from the Bond. Please refer to section 13.

## 10. Benefit Options after the death of the Policyholders

### 10. Surrender

You can ask us to totally surrender the Bond (see section 10.1), totally surrender a Policy (see section 10.2) or partially surrender the Bond (see section 10.3) at any time.

If your request does not clearly state whether you require the total surrender of a Policy or the partial surrender of the Bond we will totally surrender a Policy or Policies.

This may result in you receiving an amount in excess of your request.

Example:

Amount requested £5,000

Surrender value of a Policy is £1,100

We would surrender five Policies and give you £5,500

#### 10.1 Total surrender of the Bond

**10.1.1** You can ask us to totally surrender the Bond at any time.

Once we have received your fully and correctly completed request together with any documents we ask for under section 12.2 we will pay a sum equal to the Value of the Units on the Valuation Day.

When this benefit is paid all the Units held on the Bond will be cancelled, the Bond will end and no further benefits will be payable.

**10.1.2** We may delay carrying out your request to totally surrender the Bond. Please refer to section 13.

#### 10.2 Total surrender of a Policy

**10.2.1** You can ask us to totally surrender a Policy at any time.

Once we have received your fully and correctly completed request together with any documents we ask for under section 12.2. we will pay a sum equal to the Value of the Units on the Valuation Day.

When this benefit is paid all the Units held on the Policy will be cancelled, the Policy will end and no further benefits will be payable under that Policy.

Only the total surrender of the Bond will automatically stop any phased investment option. Where only some Policies are surrendered the phased investment option will continue for the remaining Policies.

**10.2.2** We may delay carrying out your request to totally surrender a Policy. Please refer to section 13.

### 10.3 Partial surrender

#### 10.3.1 General Information

You must tell us the amount you wish to partially surrender from the Bond. The amount requested must be at least £250.

You can take the partial surrender in one of the following ways:

- (a) proportionately across all the Funds held on the Bonds; or
- (b) proportionately from Funds specified by you subject to an overall maximum of five; or
- (c) as a chosen amount from Funds specified by you subject to an overall maximum of five.

If you do not tell us how you wish to take the surrender, we will take it proportionately from all Funds held on the Bond as in (a) above.

If you are taking it from a specified Fund, and there are not enough Units left in that Fund to pay the amount requested, we will contact you to find out which other Fund you want it to be taken from.

#### 10.3.2 How the partial surrender operates

We will calculate the number of Units to be deducted from the Bond by dividing the amount requested by the Bid Prices of the Units on the Valuation Day.

Where a phased investment option which has been requested under section 6 would occur on the same day as a partial surrender the payment of that partial surrender will happen before the Units are phase invested.

After payment of a partial surrender the remaining Value of the Units must be equal to at least £250.

Where the Value of the Units is not equal to at least £250 we have the right to refuse the partial surrender.

**10.3.3** We may delay carrying out your request to partially surrender the Bond. Please refer to section 13.

### 10.4 Regular withdrawal benefit

#### 10.4.1 General Information

You must tell us either the percentage of the total Premiums paid under the Bond or the amount you wish to withdraw from the Bond. The amount you can withdraw each year must be at least £250. There is no maximum amount.

You can choose to receive these withdrawals monthly, quarterly, half yearly, yearly or termly.

You can take these withdrawals in one of the following ways:

- (a) proportionately across all the Funds held on the Bond; or

- (b) proportionately from Funds specified by you subject to an overall maximum of five; or
- (c) as a chosen amount from Funds specified by you subject to an overall maximum of five.

If you do not tell us how you wish to take the withdrawals, we will take them proportionately from all Funds held on the Bond as in (a) above.

If you are taking the withdrawals from a specific Fund, and there are only enough Units left in that Fund to take one more withdrawal, we will contact you to find out which other Fund the further withdrawals are to be taken from. If we do not receive your instructions before the further withdrawal is due, the regular withdrawals will stop.

Once a series of regular withdrawals have started to be taken from the Bond, we will continue to pay them until one of the following happens:

- (a) you write and ask us to cancel or change the request; or
- (b) we contact you due to one of the reasons described in this section; or
- (c) on your death.

#### 10.4.2 How the regular withdrawal operates

You can tell us the date on which you wish regular withdrawals to be paid.

This date must be between the 1st and the 28th inclusive. Where any date between the 1st and the 28th inclusive is not a Working Day the payment will be made on the next available Working Day.

We will calculate the number of Units to be deducted from the Bond by dividing the amount requested by the Bid Prices of the Units on the date each payment is due.

Where a phased investment option which has been requested under section 6 would occur on the same day as a regular withdrawal the payment of that withdrawal will happen before the Units are phase invested.

After each payment the remaining Value of the Units must be equal to at least £250.

Where the Value of the Units is not equal to at least £250 we have the right to cancel the withdrawals.

**10.4.3** We may delay carrying out your request to take withdrawals from the Bond. Please refer to section 13.

## 11. Altering the Bond

We may change the terms and benefits of the Bond if there is a change in law, taxation, regulation or guidance from our industry so that:

- (a) our investment rights and powers are limited or removed;
- (b) it becomes unreasonable or impossible to carry out the provisions of the Bond;
- (c) the basis of taxation which applies to us or this Bond is changed; or
- (d) any existing taxes, charges or levies are changed, or any new taxes, charges or levies are imposed.

If we have to change the terms of the Bond we will send you an Endorsement. We will normally give you three months' notice of such a change. If it is not possible for us to do that, we will give you as much notice as we can.

## 12. General information

### 12.1 Law, currency and place of payment

The law of England and Wales applies to the Bond.

All premiums payable by you must be paid in the currency of the UK to our Registered Office.

Any benefits payable by us will be paid in the currency of the UK from our Registered Office.

### 12.2 Claims procedure

**12.2.1** Once we have received all the documents we need to accept the claim we will begin the process of paying the benefits.

Examples of documents we may ask for are:

- (a) these provisions, the individual Policy Schedule under which the claim is being made and any Endorsement;
- (b) in the event of a death claim, the original death certificate;
- (c) proof of the entitlement of the person claiming payment; and
- (d) the fully completed claim form(s).

We may ask for further documents or information if needed to accept the claim.

All original certificates sent by you to us will be returned.

**12.2.2** You (or any other claimant) who provides incorrect information when claiming benefits under a Policy or the Bond will be responsible for paying to us, any reasonable costs, losses or expenses that we incur as a result of the incorrect information.

### 12.3 Communication

You may contact us at our Registered Office, by letter, email, (customer.services@canadalife.co.uk), fax (01707 668431) or telephone (0345 6060708)

Important documents are sent to us at your own risk. As such, you may want to send them by recorded or registered delivery. Postage costs are your responsibility.

If we need to return a document to you that was originally sent to us by recorded or registered delivery, we will return it by recorded delivery.

All communication sent to you will be sent to your last known postal address. We will regard the communication as having been received by you within five days of posting.

We will confirm receipt of any communication we receive from you. If you have not heard from us within a month please contact us as we can only act on communication we receive.

We will write and tell you, if our address changes.

You must write and tell us if your address changes.

### 12.4 Transfer of Ownership

If you transfer a Policy or the Bond to another person we will only register the transfer if you provide written notice.

Even though we note the transfer on our records you are responsible for ensuring that the transfer has been successful.

### 12.5 Policy rights

Only you or we may exercise any of the rights found within the Bond. This means that the Contracts (Rights of Third Parties) Act 1999 does not apply.

### 12.6 Non-participating

The Bond will not in any way take part in the distribution of our profits.

### 12.7 Queries and complaints

If you have any questions about either the Bond or your benefits please contact our Registered Office.

If you wish to complain about the service you have received from us, please contact our Registered Office in the first instance and we will deal with your complaint through our complaints procedure

If we are not able to resolve your complaint, through our complaints procedure, you can then contact the Financial Ombudsman Service in writing or by telephone:

The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR

Phone: 0800 023 4567 or, for mobile users  
0300 123 9123

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint will not affect your right to take legal action against us.

### 12.8 The Financial Services Compensation Scheme (FSCS)

The FSCS is designed to pay compensation if a company is unable to pay claims, because it has stopped trading or been declared in default.

If we are unable to meet our liabilities, you may be able to claim compensation from the FSCS.

Further information is available from the Financial Conduct Authority and the FSCS.

## 13. Special actions we can take

We may delay:

- (a) the valuation, cancellation and issue of Units under section 5.3; and
- (b) the valuation of Units and payment of benefits under sections 9 and 10,

If there is insufficient liquidity in the underlying assets of the Fund and/or if there are events or circumstances beyond our reasonable control that prevents us from placing a value on the Units. This may happen where the Fund concerned invests directly or indirectly in freehold or leasehold property, land or non-sterling securities.

We will not delay in respect of (a) or (b) above, beyond six calendar months.

We will contact you if we are going to delay.



For further information about Canada Life Limited, please visit [www.canadalife.co.uk](http://www.canadalife.co.uk) or call us on **0345 6060708**.

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