

# CanProtect Whole of Life Plan

## Draft paragraphs for a suitability report

These sample paragraphs are for your information and consideration only. It is the responsibility of advisers to make sure that any letters sent to clients meet the requirements of the regulatory authority and that any recommendations made are appropriate for the client. No liability is accepted by Canada Life International Limited in connection with the use of any of these suggestions.

### Introduction

[I/We] provided you with copies of the initial disclosure document and Terms of Business which we discussed and both signed.

Following our latest meeting on [date] I/we recommend you take out a CanProtect Whole of Life Plan with Canada Life International Limited (CLI).

Recommendation [for inheritance tax liability or family protection]

This plan is intended as a long term arrangement and its primary purpose is to provide a cash lump sum payment [on your death/when the second of you dies]. You have confirmed you will make [monthly/yearly] payments (the premium) and understand the sum assured will only be paid providing premiums continue. [I/We] have explained that any cash lump sum death benefit will be paid in Sterling.

The CanProtect Plan is a whole of life policy that has no underlying investment and therefore no surrender value is available at any time. This is reflected in the Personal Example and explained in the Key Features document.

Premiums will remain level and guaranteed for the first ten years of the policy and they are reviewable every five years thereafter. The final review will be on the review date that falls after the life assured's 84th birthday. [For joint life last death policies, the final review will be the review date after the youngest life assured's 84th birthday and for joint life first death policies, the final review will be the review date after the oldest life assured's 84th birthday.] After the final review date the premium will be fixed for the remainder of the Plan.

The premium you pay will increase at each review date to reflect the fact that you will be older. CLI will also take into account factors such as claims experience, their expenses and the tax/regulatory environment. Once reviewed, your premium will be guaranteed not to increase until the next review date.

We discussed the other options open to you, [for example whole of life policies with premiums guaranteed for the life of the policy] and it was decided that CanProtect Whole of Life Plan is suitable because it offers the following;

- A balance of affordable and guaranteed premiums for the first 10 years.
- [IHT liability only] The option to increase the sum assured without additional medical underwriting to help meet your inheritance tax (IHT) liability now and in the future. This guaranteed insurability option can be exercised if your IHT liability increases and your plan is accepted on standard terms and not medically rated at outset. The level of cover can increase by up to the lesser of £250,000 or 50% of the original sum assured without any further underwriting of your health. You will be required to show evidence of the increased value of your estate before any increase can take place.
- This cover could be obtained and maintained, on an individual consideration basis should you reside overseas. This is at Canada Life International's complete discretion and there are countries where the cover would not be offered or need to cease.
- A way of making sure your family are provided for financially after [you have/the first of you has/the second of you has] died.
- An appropriate cash lump sum payable on death

On this basis the CanProtect Whole of Life Plan is the most suitable for you, in light of:

- your personal and financial circumstances;
- your needs and priorities, [with particular emphasis on reducing the inheritance tax liability] for your [family/spouse/partner/beneficiaries], as identified through our fact finding process;

[I/We] have explained how the CanProtect Whole of Life Plan is reviewed. [I/We] have discussed that the sum assured cannot be increased unless the reason for additional life cover is for IHT purposes. If an increase in the sum assured is necessary in other circumstances a new plan/policy would be required and this would be subject to the CanProtect Whole of Life policy terms and conditions which may include the underwriting of your health.

### **Recommendation [for corporate protection]**

This plan is intended as a long term arrangement and its primary purpose is to provide a cash lump sum payment [on your death/when the second of you dies]. You have confirmed you will make [monthly/yearly] payments (the premium) and understand the sum assured will only be paid providing premiums continue. [I/We] have explained that any cash lump sum death benefit will be paid in Sterling.

The CanProtect Plan is a whole of life policy that has no underlying investment and therefore no surrender value is available at any time. This is reflected in the Personal Example and explained in the Key Features document.

Premiums will remain level and guaranteed for the first ten years of the policy and they are reviewable every five years thereafter. The final review will be on the review date that falls after the life assured's 84th birthday. [For joint life last death policies, the final review will be the review date after the youngest life assured's 84th birthday and for joint life first death policies, the final review will be the review date after the oldest life assured's 84th birthday.] After the final review date the premium will be fixed for the remainder of the Plan.

The premium will increase at each review date to reflect the fact that you will be older. CLI will also take into account factors such as claims experience, their expenses and tax/regulatory environment. Once reviewed, the premium will be guaranteed not to increase until the next review date.

We discussed the other options open to you, [for example whole of life policies with premiums guaranteed for the life of the policy] and it was decided that CanProtect Whole of Life Plan is the most suitable product in light of:

- Your/The company's/The partner's circumstances.
- The needs and priorities we have identified through our fact finding process.

[I/We] have explained how the CanProtect Whole of Life Plan is reviewed and that the sum assured cannot be increased. If an increase in sum assured is necessary, a new plan/policy would be required and this plan would be subject to the CanProtect Whole of Life policy terms and conditions which may include the underwriting of your health.

### **Policy in Trust [include if relevant]**

Because you do not want any unnecessary delays to the payment of the death benefit you have chosen to place the policy within a trust. As I/we explained to you, a trust is a legal document where other people, called the trustees, deal with the plan on your behalf, as they have legal control of it. This means they can speedily arrange for the payment of the death benefit and avoid any delays that could occur in settling your affairs after death.

Please note that because the policy has been transferred into the names of your chosen trustees, CLI will require the instructions of all the trustees together in any dealings with the policy.

### Why Canada Life International Limited (CLI)?

CLI is based on the Isle of Man, a jurisdiction recognized for its stable government, strong regulatory controls and policyholder protection measures. CLI was established in 1987 and is the international operation of the Canada Life group.

The Isle of Man is recognised as one of the leading international financial centres with renowned investor protection, a financial ombudsman scheme and a strong commitment to meeting international standards.

The combined assets under administration for CLI, its subsidiary CLI Institutional Limited and Canada Life International Assurance Limited are £21.3bn (as at 23/10/23.) CLI also has a cluster of awards that tell their own story, including the 5-star AKG Annual Financial Strength Unit Linked Rating. Indeed, unlike any other international company, they have held this for twenty consecutive years.

### Quality of service

Should you not receive service from CLI as promised under their service charter you could seek redress by requesting monetary compensation as set out within the terms of the charter.

### Costs, charges and commission

For arranging this policy we will receive a commission payment of [£amount] and a renewal commission of [£amount] each time a premium is paid.

Full details of the charges appropriate are shown on your Personal Example.

### Timescale

The CanProtect Whole of Life Plan will remain in force until [you stop/the company stops/the partnership stops] paying premiums or [on your death/when the second life assured dies], whichever happens first.

### What happens next?

Once your application has been processed, you will be sent a policy document. Please keep this in a safe place for future reference as it provides a great deal of information about the Plan. [Also provide client with clear indication of other services to be provided – reviews, valuations and so on.]

### Closing

You have already received a Key Features document and personal illustration for the proposed Plan. These contain full details of the features, benefits and any risks.

I/We consider that the CanProtect Whole of Life Plan is the most suitable product for your financial needs and that Canada Life International Limited is the most appropriate product provider.

It is important to let us know of any changes to your personal circumstances. For example, if there are any changes to your address, employment or family circumstances please contact [name] in order that your report can be revised.

The information regarding taxation is based on our understanding of current legislation, which may change or be altered in the future.

Please sign and return the attached copy of this letter to confirm that you have read the letter and accept and understand my/our recommendation.



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