

# Elite Account

## Key Features

This document provides further information about your Elite Account. Please read it with your Key Information Document and keep it with the other documents relating to your Elite Account. The Key Information Document and personal illustration show what you may get back from your investment.

The Financial Conduct Authority (“FCA”) is the independent financial services regulator, which lays down rules in respect of the promotion of financial products in the UK. Although CLI Institutional Limited (‘we, us, our’) is not regulated by the FCA we are required to make available important information to help you decide whether the Elite Account is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.



# Elite Account

The CLI Institutional Limited Elite Account (the account) is a group of individual single premium whole of life assurance policies. The value of the policies is linked to the value of investments owned by us.

The account is designed for someone looking to make investments in a tax-efficient way, whilst retaining access to the money they have invested, either on a one-off basis or on a regular basis.

## Its aims

- To potentially increase the value of the money you invest.
- To let you nominate a fund manager to invest your money in a range of permissible assets to meet your investment needs.
- To let you take money out of your policies either on a one-off basis or on a regular basis.

## Who is the Elite Account for?

The Elite Account may be suitable for you if:

- You are aged between 18 and 89, have £1,000,000 or more to invest and are prepared to accept a degree of investment risk on your money.
- You want to invest your money to generate either a capital lump sum or an additional income stream (or a combination of both) for a period of at least 10 years, in a tax efficient manner.
- You want access to the widest range of investment options including niche and specialist investments in which to invest.
- You want to nominate a custodian to hold the assets under the Account on CLII's behalf.
- You want a company which offers enhanced policyholder protection by restricting the range of its activities to unit-linked life assurance policies, and cannot undertake any other form of insurance business such as with-profits, guaranteed or whole of life risk business
- You have already considered and/or utilised other tax-free investments/savings ways to invest.

## When is the Elite Account not appropriate?

The Elite Account will not be appropriate if:

- You are looking to protect your investment or want a guaranteed return.
- You are under the age of 18 or over the age of 89.
- You have less than £100,000,000 to invest.
- You want a short term investment of less than 10 years.
- You are looking to invest into Canada Life International Limited internal life funds.

## Your commitments

- To invest a minimum single premium of £1 million (or currency equivalent) into the policies.
- The policies have no fixed term. You can decide how long you want to invest for.

## Risk factors

There are circumstances which could reduce the value of your investment in the policies. This could mean that the amount you receive back is reduced.

- Tax legislation may change in the future. Therefore, your own taxation position may alter.
- The value of your investment can go down as well as up and you may not get back the full amount invested. How any of the investments linked to the policies have performed in the past is not a guide for how they will perform in the future.
- Some investments have higher levels of risk than others and currency fluctuations can also affect performance. Please discuss this with your professional adviser.
- If the fund manager decides to link your policies to a fund which invests in property, there may be a delay in switching amounts out of the fund or paying claims on the policies if the fund manager of the property fund thinks this is necessary to protect other investors' interests.
- Due to the nature of property funds, there is a possibility that costs may be incurred as a result of buying and selling the properties which form the underlying asset. This may result in a reduction in the value of the whole fund to cover these associated costs.
- If the account is cancelled within 30 days, you may get back less than you paid in. Please refer to 'Can I change my mind?' on page 6 for further information.
- Your account includes a trading cash account from which all fees, policy charges, fund adviser fees, adviser charges, withdrawals and partial surrenders are debited. It is important to monitor this account and maintain a positive balance. If your cash account becomes overdrawn then it will attract debit interest. Please refer to our document 'Tips on how to manage your cash account' (reference 6934) for more information.

## Questions and Answers

### What is the Elite Account?

The Elite Account is a group of single premium whole of life assurance policies, issued by CLI Institutional Limited.

- You can invest any amount in the policies as long as you invest a minimum of £1 million (or currency equivalent). You can add extra amounts of £100,000 (or currency equivalent) or more at any time.
- The policies can also be held in US dollars or euro. If any currency conversions are required, we will try to obtain the latest available rate.
- The account is issued as a number of identical policies (maximum 998) to make it more flexible for tax planning with a minimum £2,000 value for each policy.
- You should consider the account as a medium to long-term investment.

### How does the Elite Account work?

- You can apply for the account on your own or with, for example, your spouse. If there is more than one applicant, each policy in the account will be a joint policy. All applicants for the account must complete the application form.
- All applicants must be aged 18 or over when the account starts.
- You must select a life or lives assured who are the individuals on whose life or lives the policies depend.
- You are not automatically a life assured. If you wish to be, you must complete the relevant section of the application form.
- If you want someone else or several other people to be lives assured you must provide their details on the application form.
- The account can have up to six lives assured.
- There must be at least one life assured who is no older than 79.
- By setting-up the policies on multiple lives, they could continue even after your death.
- The policies end on the death of the last life assured.
- You can encash your policies in full, or in part, at any time, too. Please refer to 'Can I take money out?' on page 4 for further information.

### Where are my premiums invested and who can make any investment decisions for me?

You will nominate a fund manager to manage the investments which are linked to the policies. The fund manager will invest your premium into investments which meet the permissible assets rules; for details of these rules, please refer to our guide to investment funds document (reference I-049). You cannot invest into Canada Life International internal life funds. The fund manager you nominate must be acceptable to us.

You can also nominate a fund adviser that must hold an appropriate authorisation or approval from their regulator to perform this role. The fund adviser you nominate must be acceptable to us.

The value of the investments chosen by the fund manager will determine the value of your policies.

# Questions and Answers

## What are the charges and what are they for?

- Establishment charge – there is no establishment charge for setting-up your account.
- Management charge – we will deduct a percentage amount based on the value of the policies quarterly in arrears. This is the annual management charge.
- We may also make deductions from your account to pay the fund manager. In addition, the fund manager may incur charges and expenses which will be deducted from your account.
- We can make deductions from your account to pay your professional adviser for the advice that he/she may have given you, and to pay your fund adviser if appointed. These deductions will only be made if we receive written instruction from you (for example on your initial application form). If at a future date you wish to alter the level of payments to your professional and/or fund adviser then please write to us at the address shown on page 7. A copy of our 'Guide to paying your professional adviser' (reference 6992) is enclosed with this pack. This guide highlights popular methods of paying your adviser(s).

Full details of all our charges and fees are shown in the 'Elite Key Information Document' (reference IOM01005) and the 'Elite Account charges and fees' document (reference I-040) which is enclosed with this pack. If this is not included in your pack, please contact our office on **+44 (0)1624 820399**.

Your professional adviser will obtain a personal illustration for you, which will detail the charges applicable to your account.

## What if my country of residence changes?

The enclosed illustration is based on your present country of residence. You must inform us if you become resident in a different country.

- There are certain countries, such as the United States of America, in which we may be prohibited from conducting business. If you move to such a country, you will no longer be able to pay any premiums into your account (including additional investments) or change fund managers. You may also be required to surrender all of your policies.

## Can I take money out?

- Yes, there are a number of ways that you can take money out of your account. But be aware that taking money out of your account will affect the amount you will get back in future.
- There is no charge for taking money out of the account.

## How can I purchase the Elite Account?

CLI Institutional Limited is a life assurance company and not authorised to provide advice. If you would like to purchase this Account, you must first obtain advice from a professional adviser who will then recommend the most suitable solution to meet your financial objectives.

## Paying fees to a professional adviser or fund adviser

- Adviser charges – We can pay an initial adviser charge from the investment before or after it is applied to the account, and you can ask us to deduct single or ongoing adviser charges at any time.
- Fund adviser fees – If a fund adviser is appointed we can deduct their fees from the account.

### Regular Withdrawals

- You can withdraw regular amounts from the account. You can do this every year, every six months, every three months or every month. The minimum amount you can withdraw is £50. You must leave at least £50,000 plus any outstanding charges in the account.
- Regular withdrawals are taken equally across all policies.

### One-off Withdrawals

- You can take a one-off withdrawal from the account at any time. The minimum amount you can withdraw is £200. You must leave at least £50,000 plus any outstanding charges in the account.
- One-off withdrawals are taken equally across all policies.

### Policy surrender

- The account is issued as a number of identical policies. You may surrender any of these policies at any time, however, you must leave at least £50,000 plus any outstanding charges in the account.

### Full surrender

- You may surrender all the policies in full at any time. However, if you surrender all the policies we will deduct any outstanding charges from the amount returned to you.

### When can I receive the money?

- When all the required documentation has been received, and once the proceeds of sale of the investments linked to the relevant policy or policies have been received, to meet the value of the withdrawal, policy surrender or full surrender.

### How can I receive the money?

- We can pay the proceeds by BACS or CHAPS to your bank. There will be a charge for CHAPS payments.

### What happens to the money if I die?

- If you are the last life assured or the last policyholder and the policy is not in trust, then your Executors' or Personal Representatives will need to apply for Isle of Man Probate.
- If there is more than one life assured, the policy can continue until the death of the last life assured when the death benefit is payable. As above, if the last policyholder passes away and there are surviving lives assured, then Isle of Man Probate will be required to appoint the new policyholder.
- The death benefit is the unit value of the policy calculated at the next valuation date following receipt of written notification of death, less any outstanding fees and charges, plus £100 or currency equivalent.
- The death benefit will be paid out when all the investments have been settled and all the required documentation has been received by us, which includes Isle of Man Probate if the policy is not in trust. Please see 'Our guide to making a death claim' (reference 6955).

### How is a death claim made?

- To make a claim for the death benefits, your claimants should contact your professional adviser or our claims department at the address shown on page 7. We will then let them know what information and documentation we require to process the claim.

# Questions and Answers

## Can I change my mind?

- We are not directly authorised by the Financial Conduct Authority and, therefore, the Financial Conduct Authority cancellation rules do not apply to our policies.
- We do however continue to offer cancellation rights and you have the right to change your mind and cancel the account within 30 days of receiving the document 'Notice of the right to cancel' from us.
- If you have asked us to make any payments to a professional or fund adviser and we have made these payments then we will be unable to refund the deductions to you. Please contact the relevant adviser(s).
- If you do decide to cancel the account, any fall in value of the investments linked to your policies will be deducted from the amount returned. Should a rise in investment value occur, we will retain the surplus and only the amount you invested will be returned.
- You should be aware that if you choose to cancel the account when it is:
  - linked to a deposit which has a term of more than 30 days; or
  - linked to an investment which deals monthly, quarterly, yearly or less frequently then the following will apply: The account will be cancelled on the date we receive the cancellation notice. However, we may delay the repayment of the part of the policies linked to the deposit or investment described above until the deposit matures or the dealing date for the investment is reached and full settlement is received by us.

## What taxes are applicable?

- We are resident in the Isle of Man and pay no local taxes on the capital growth or income which accrue to our funds. However, withholding tax may be charged on certain investments and this is not reclaimable.
- If you are UK resident for tax purposes, you can withdraw your original premium from your policies without having to pay any income tax immediately, providing that you do not withdraw more than 5% of your original investment paid each year.
- The 5% allowance is worked out each policy year. A policy year is the yearly anniversary of your policies.
- The 5% allowance is only available on actual premiums paid.
- If you request any adviser charge payments to be made by partial surrender then the amount(s) deducted will count towards the 5% allowance.
- If you do not withdraw the full 5% in any year, the unused amount can be carried forward to be used in future years. You can withdraw up to 5% of your premium each year for 20 years without paying any income tax at the time of withdrawal.
- If you do withdraw more than 5% of your premium paid, including any unused amounts from previous years, the excess may be liable to income tax at the full rate payable (basic, higher or additional rate, less allowances, if appropriate) irrespective of the value of the policies at the time.
- When the policies are fully surrendered, or when individual policies are surrendered or on the death of the last life assured, there may be a charge to income tax. The amount chargeable to tax will be the surrender value of the policies, plus any withdrawals taken, less the sum of the original premium and any amounts previously withdrawn that exceeded the 5% allowance.

**This is based on our understanding of UK legislation as at September 2018 and could be subject to change in the future. We recommend you take your own professional tax advice.**

## Contact

You should contact your professional adviser in the first instance.

If you have any questions you can contact us in the following ways:

### By Post

CLI Institutional Limited  
Canada Life House  
Isle of Man Business Park  
Douglas  
Isle of Man  
IM2 2QJ



### Call Us

+44 (0) 1624 820399



### By email

adviser.support@canadalifeint.com



### Online

www.canadalifeinternational.co.uk



## Further information

### How to complain

If you need to complain about any part of the service we have provided, please contact us, using the details on this page.

If you are not happy with our response you can contact:

**Financial Services Ombudsman Scheme for the Isle of Man**  
Government Buildings  
Lord Street  
Douglas  
Isle of Man  
IM1 1LE

Phone: +44 (0)1624 686500

E-mail: [ombudsman@iomoft.gov.im](mailto:ombudsman@iomoft.gov.im)

Website: [www.gov.im/oft](http://www.gov.im/oft)

Referring a complaint to the Ombudsman may preclude you from taking legal proceedings. Please note that corporate applicants are not covered by the Financial Services Ombudsman Scheme.

### What legal system applies to the policies?

The law of the Isle of Man will apply to your policies.

### What protection is there for the policies?

Policyholders of CLI Institutional policies are protected by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 if the company becomes unable to meet its liabilities to them. You should read the 'Policyholder Protection' leaflet (reference 6383), which is available on request.

## What protection is there for investments linked to the policies?

The individual investments a policy is linked to are not covered by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991, as these regulations only apply to an authorised Isle of Man life assurance company which has itself become insolvent.

The compensation offered for an individual investment depends upon what type of investment vehicle or structure is involved (that is, whether it is a unit trust, a cash deposit or other), what jurisdiction the investment vehicle or structure is constituted under and whether it is authorised by a regulatory body.

Therefore, where there is concern about the level of compensation offered for an individual investment, we would recommend contacting the individual organisation whose investments are being considered.

Some compensation schemes in other jurisdictions have a maximum amount they will pay out to each client of the investment in question. As the policy investments belong to CLI Institutional Limited, there will only be one holder of each investment, and although several investors may have their policies linked to a particular investment, the compensation scheme would only treat CLI Institutional Limited as one investor. Therefore, any compensation received would have to be split between all relevant policyholders of CLI Institutional Limited – as would be the case with any life assurance or other company in this situation.


## Terms and conditions

This document is a brief guide to the key features of the Elite Account. You can read the full terms and conditions in the 'Elite Account Policy Provisions' (reference I-003) which, together with the application form, makes the legally binding contract between you and us.



CLI Institutional Limited, registered in the Isle of Man no. 108017C. Registered office: Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ. Telephone: +44 (0) 1624 820200 Fax: +44 (0) 1624 820201 Member of the Association of International Life Offices.

CLI Institutional Limited is an Isle of Man registered company authorised and regulated by the Isle of Man Financial Services Authority.

 This paper is made from recycled materials