

Flexible Life Plan

Key Features

This document shows the main points about your plan. Please read it with your personal illustration and keep it with the other documents relating to your Flexible Life Plan. The personal illustration shows what level of life cover you will have for the premium shown.

The Financial Conduct Authority (“FCA”) is the independent financial services regulator, which lays down rules in respect of the promotion of financial products. Although Canada Life International Limited (‘we, us, our’) is not regulated by the FCA we are required to give you this important information to help you to decide whether the Flexible Life Plan is right for you.



Flexible Life Plan

The Flexible Life Plan ('FLP/Plan') from Canada Life International Limited is designed for someone who requires life assurance cover. The Plan can provide cover in many circumstances including inheritance tax planning, family protection, business protection or key person cover.

Its aims

- To provide a cash sum payable on death. This is called the level of cover.
- To provide cover for as long as you want it to continue.
- To allow you to change the level of cover if your circumstances change.
- You are looking for a plan that has regular reviews to ensure your premiums maintain your level of life cover selected.
- You are looking for a life assurance plan that can be increased or decreased as your circumstances change.
- You are looking for a life assurance plan that can safeguard yearly rises in inflation by increasing your life cover and premiums accordingly.
- You are aged between 18 and 74.
- You are looking for guaranteed insurability in the event of marriage, mortgage increase, birth or adoption of a child or changes to the inheritance tax threshold.

Who is the Flexible Life Plan for?

The Flexible Life Plan may be suitable for you if:

- You are resident in the UK, Channel Islands or the Isle of Man and looking for life assurance cover of at least £25,000 subject to a minimum premium of £25 a month to cover an inheritance tax liability or providing a lump sum for your family or protecting your business in the event of the death of a partner.
- You are looking for your premiums to be invested in funds of your choice to have the potential for growth within your plan to cover charges and ongoing increases in life cover.
- You are looking for life cover that can be maintained throughout your life.
- You are looking for life cover that can be placed in a trust to avoid unnecessary delays in payment.
- You are looking for different options of cover to suite your circumstances such as having the greatest level of cover for the least amount of cost or perhaps a targeted level of cover over a specific number of years or a specific level of cover at a specific cost or a balanced approach designed to keep your premiums level throughout your lifetime.
- You are looking for a life assurance plan that can provide protection against ill health to pay your ongoing premiums.

When is the Flexible Life Plan not appropriate?

The Flexible Life Plan will not be appropriate if:

- You are looking for a policy that has a surrender value.
- You are not resident in the UK, Channel Islands or the Isle of Man.
- You are unable to continue the premiums throughout your life and at subsequent reviews where the premium may increase depending upon the performance of your underlying investments.
- You are looking for cover of less than £25,000 or the minimum premium of £25 a month.
- You are unable to receive your advice and/or sign the application form in the UK, Channel Islands or Isle of Man.
- You are aged under 18 or over 74.
- You are looking for a traditional guaranteed premium whole of life or term assurance plan.

Your commitment

- You must pay the regular premiums as shown in your attached personal illustration or following subsequent reviews of your FLP.
- You must answer all questions correctly to the best of your knowledge when applying for your plan. Failure to do this could affect our ability to pay out a future claim.
- You may be asked to attend a medical examination. Failure to attend may result in your application being delayed or rejected.
- You must tell us of any change in your health between the time you sign the application form and the date your Plan starts. Failure to do this could affect our ability to pay out a future claim.
- If a claim is made upon your death or the death of the other life assured, we may make further enquiries about the cause of death. Failure to provide the correct information could mean a delay in the payment of a successful claim.
- You must tell us if you or the other life assured on a joint plan become either resident in a different country or change your occupation from that recorded at the time of application, as this could affect your level of cover.

Risk factors

- If the growth on the investments linked to your policy is less than the assumed net growth shown on your personal illustration, or if we increase our charges, you will have to pay a higher premium to keep the same level of cover.
- If your Plan is reviewed and you can no longer afford the premium, then you may not be able to take out alternative cover elsewhere, for example if your health has deteriorated. Please refer to 'What is the plan review?' on page 6 for details of the plan review.
- The FLP is not an investment plan or a savings plan. You cannot cash it in.
- In the event you decide to stop paying premiums and there is a value in the Plan you will still retain the life cover until the Plan has no value or you ask us to cancel the Plan. Therefore you may have life cover that you do not require.
- Some funds have higher levels of risk than others. Differences in exchange rates can affect how funds perform. Details of the fund choice are available on our website; www.canadalifeint.com. Please discuss this with your professional adviser.
- If you decide to link your policy benefits to a fund which holds property, 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. We reserve the right to delay switching any amounts out of the fund for up to six months if we think this is necessary to protect our other policyholders' interests.
- Tax legislation may change in the future. Therefore your own taxation position may alter.

Questions and Answers

What is the Flexible Life Plan?

- The Flexible Life Plan is a whole of life assurance policy where you pay regular amounts of money (known as premiums) into the Plan and it will pay out a cash sum on death.
- The Plan can be held in sterling, US Dollars or euros. If any currency conversions are required we will try to obtain the latest available rate.

How does the Flexible Life Plan work?

- The FLP offers a greater degree of flexibility than other traditional term insurance policies as the cover can be maintained throughout your lifetime.
- Under a typical traditional term insurance policy, the life insurance company will charge you a premium based on the level of life insurance cover you want and the period you want to have that cover for, say for a 20 year term. At the end of that period your cover ceases and you may not be able to take out further insurance if your health has deteriorated unless you have paid extra for a renewable policy. With the FLP you can maintain the level of cover required throughout your lifetime.
- The premiums you pay to the company are built up as an investment fund within your policy which is used to meet the cost of the life insurance cover you have chosen. The costs of the Plan's life assurance is met by monthly deductions from your fund(s) based on your age and other factors at the time of each deduction and the level of insurance cover you have chosen. So the cost we deduct for each £1,000 of life insurance cover will be lower in the earlier years and will increase as you get older.
- We will deduct an amount from your fund(s) to pay the charges for setting up your Plan and the ongoing administration.
- We may increase the charges if the cost of managing your Plan increases. Further information is available in the 'Flexible Life Plan charges and fees' document (reference 6933). This document is available from www.canadalifeint.com or by calling +44 (0)1624 820200.

- Some money may also be deducted to pay for any ill-health cover selected. Please refer to 'Can I protect my premiums against ill health?' on page 7 for more information.
- You can choose up to four funds you want your Plan to be linked to. How your chosen fund(s) performs over the period between each review will directly affect the premium level for the next period. If the fund(s) exceeds the assumed net growth rate, shown on your personal illustration, and you maintain the same level of cover then your premium may reduce.
- We review your Plan on a regular basis to make sure that your premiums are sufficient to maintain your chosen level of life cover.
- Because the policy is designed to provide life assurance cover and is not designed for savings, you cannot cash it in. However, you can stop paying premiums and your life cover will continue until your Plan has no value or you ask us to cancel your Plan.

Who can take out a Flexible Life Plan?

- The Plan is available to UK, Channel Islands and Isle of Man residents aged between 18 and 74. Residents of other countries may be permitted.
- You can have your own Plan or a Plan with someone else, usually a spouse or civil partner.
- On a joint Plan you can choose whether the level of cover is paid out when the first person dies (known as first death basis) or when both people have died (known as second death basis).
- You (or both of you on a joint Plan) must be aged between 18 and 74 when the Plan starts. The maximum age applies only to the youngest life on a joint life, second death basis Plan.

How much will my premium be?

The premium that you pay will depend on the following:

- your age and personal circumstances, for example your occupation and if you smoke;
- your health and medical history;
- whether you perform a hazardous occupation or take part in a hazardous pastime;
- the level of cover you choose; and
- the type of cover you choose.

The personal illustration, which is an integral part of these Key Features, shows the regular premium that you may have to pay. You can pay these premiums monthly or yearly by direct debit. Yearly payments can also be made by cheque.

Where are my premiums invested?

- Your premiums are invested in your chosen Canada Life International Limited funds. Information regarding our funds can be found on our website www.canadalifeint.com. Your professional adviser can help you choose the funds that are suitable for you.
- You can choose up to four different funds.
- The fund is used to pay for the life cover you have.

What type of cover can I have?

You can choose the level of cover you need subject to a minimum of £25,000. The minimum premium is £25 a month.

There are four types of cover available within the Flexible Life Plan.

- standard (balanced) cover;
- maximum cover;
- target cover; and
- premium and benefit specified cover.

What is standard (balanced) cover?

- Standard (balanced) cover aims to keep your premiums level throughout your lifetime.
- If you pay all your premiums the level of cover is guaranteed until the first review regardless of the investment growth.
- Part of each premium you pay covers the plan charges. The other part goes into an investment fund. As you get older, some of the charges on your Plan will increase. We will use the investment fund to pay the higher charges as you get older. This has the effect of keeping the premiums level throughout your lifetime. If however the investments do not perform as you expect your premium may increase at a later date.
- In our calculations we assume that the investment fund will last until age 110 (based on current actuarial assumptions).
- Once you reach the age 110, your premiums will increase to maintain the level of cover.
- If the investment linked to your Plan does not grow at the same rate as the assumed net growth rate shown in your personal illustration, or our charges increase, your premium may have to increase to keep the same level of cover. We will tell you about this following the plan review. Please refer to 'What is the plan review?' and 'How often are the plan reviews for any other type of cover?' on page 6 for further information.
- If you wish to take a more cautious approach you can ask us to use a lower assumed net growth rate than we would normally use when calculating your premiums. If you choose this option your premiums will be higher.

What is maximum cover?

- Maximum cover gives you the maximum level of cover at the lowest cost for an initial 10 year period based on your current age. If you pay all your premiums the level of cover is guaranteed for the initial 10 year period regardless of the investment growth.
- At the end of the initial 10 year period we will review your Plan and you will have to pay a higher premium to keep the same level of cover. This is because you will be 10 years older and the cost of life cover increases as you get older. Unlike standard (balanced) cover there is little or no investment growth on a maximum cover Plan.
- After the first 10 years, subsequent reviews will take place every five years. Your premiums will increase at each review.
- Should you choose this option your premium will increase significantly following each policy review.

Questions and Answers

What is target cover?

- Target cover gives you a specific level of cover for a specific number of years chosen by you. It is a mixture of standard (balanced) cover and maximum cover.
- Target cover aims to keep your premiums level for the number of years you have specified. Part of each premium you pay covers the plan charges. The other part goes into an investment fund. We will use the investment fund to pay the higher charges as you get older. This has the effect of keeping the premiums level throughout the lifetime of your Plan, however this is not guaranteed.
- In our calculations we assume that the investment fund will last until the age specified by you.
- If the investments linked to your Plan do not grow at the same rate as the assumed net growth rate in your personal illustration, your premium will have to increase to keep your specified level of cover for your chosen number of years. We will tell you about this following the plan review. Please refer to 'What is the plan review?' and 'How often are the plan reviews for any other type of cover?' on page 6 for further information.

What is premium and benefit specified cover?

- You choose both the level of cover you require and the premiums you want to pay.
- Part of each premium you pay covers the plan charges. If there is any premium left this will go into an investment fund.
- We will review your Plan regularly to see if the current premium is sufficient to maintain your chosen level of cover until the next review date. If it is not you will have to increase your premium to maintain your chosen level of cover. Please refer to 'How often are the plan reviews for any other type of cover?' below for details.

What is the plan review?

- We will review your Plan regularly to make sure the premiums are adequate to maintain the level of life cover selected. This is necessary as the actual rate of growth may be less than the assumptions we made and the charges may be higher than originally anticipated. It is therefore possible that your premiums may be increased to maintain the level of life cover.
- If the investments linked to your Plan have grown at more than the assumed net growth rate shown in your personal illustration your premiums may decrease.
- We do not take into account any changes in your health or personal circumstances at the plan review.
- When a review is due to take place, we will communicate the options to you in advance. Should we not hear back from you confirming your preference, we will proceed on the highlighted default option.

How often are the plan reviews for maximum cover?

- The first review will be after 10 years, whatever your age when the Plan starts.
- Your Plan will be reviewed every five years thereafter.
- If you, or either one of you on a joint Plan, reach age 110 the Plan will be reviewed yearly.

How often are the plan reviews for any other type of cover?

- If you, or both of you on a joint Plan, are aged 60 or less when the Plan starts, the first review will be after 10 years.
- If you, or either of you on a joint Plan, are aged 61 or over when the Plan starts the first review will be after five years.
- Subsequent reviews will take place every five years regardless of your ages.
- If you, or either of you on a joint Plan, reach age 110 the plan will be reviewed yearly.

Can I change the level of cover?

- You can increase your level of cover at any plan anniversary. You must tell us at least three months before the plan anniversary date that you wish to increase the level of cover by submitting either a completed 'Personal Protection Application' (reference 6266) or a completed 'Corporate and Trustee Protection Application' (reference 6267). Both are available on our website www.canadalifeint.com or by calling +44 (0)1624 820200.
- Any increase to the level of cover is at our discretion. We will normally ask for more information about your current state of health. Please refer to 'What is the guaranteed insurability option?' below for details of increases to the level of cover with no further questions about your health. Your premium will increase as a result of any increased life cover.
- You can apply to decrease the level of cover at any anniversary date after all outstanding establishment charges have been paid and subject to the minimum premium conditions. You should send a written request to us at least one month before the plan anniversary. If you have the automatic increase option this will be cancelled. Please refer to 'Can my Plan protect against the effects of inflation?' on page 7 for details of the automatic increase option.

What is the guaranteed insurability option?

If your Plan is accepted on standard terms with no medical rating, you can increase the level of cover without any further details about your health on the happening of one or more of the following events:

- Marriage.
- Birth or adoption of a child.
- Increase in a mortgage debt.
- A change in the inheritance tax threshold announced by the UK government

Your premium will increase as a result of any increased life cover.

There are limits to the amount of each increase and you should refer to the 'Flexible Life Plan policy provisions' (reference 6229) for further details. This is available on our website www.canadalifeint.com or by calling +44 (0)1624 820200.

Can my Plan protect against the effects of inflation?

- An automatic increase option is available if your Plan is accepted on our standard terms with no rating. You must select this option on the application form. It cannot be added later.
- This means that you can ask us to increase the level of cover at each plan anniversary without any further questions about your health. The level of cover will increase in line with the rate of inflation in the Isle of Man or 10%, whichever is the lower. Your premium will increase to pay for the higher level of cover.
- We will tell you what the new level of cover (subject to a maximum sum assured of £2 million for each Plan) and premiums are each year. If you do not wish to increase the level of cover you must tell us.
- If you do not increase the level of cover for three consecutive years, this option will be lost.
- Additional charges will be applied to any increase in premium at the time the increase happens.

Can I protect my premiums against ill health?

- If, because of an illness or, as a result of an accident before the age of 65, you are unable to perform your own occupation for a period of more than six months, and subject to a successful claim review, we can pay your premiums for you. This is called waiver of premium and you will pay a higher premium for this benefit.
- You must be under 60 years of age at the time your Plan is issued for you to qualify for waiver of premium benefit. You must also be in full time employment when you apply for this benefit.
- We will pay your premiums until you either make a full recovery, reach the age of 65 or you die.
- We cannot provide waiver of premium if you are self-employed.
- You should discuss whether this benefit is appropriate for you with your professional adviser.

Questions and Answers

How much will I pay for the Plan?

We will deduct an amount from each premium you pay. The deductions will cover the following:

- Allocation charges.
- The cost of setting-up the Plan. This is called the establishment charge. The amount depends on the level of commission paid to your professional adviser. The establishment charge is taken for the period shown in the policy provisions. This is called the establishment period and is determined by your age when the plan starts and the type of cover you select.

The following charges are made by cancellation of units from the fund(s):

- The cost of ill-health cover if selected.
- The administration charges.
- Mortality charges.

Further details of all charges and fees are shown in the 'Flexible Life Plan charges and fees' document (reference 6933) which is enclosed with this pack.*

* If this is not included in your pack, please contact our office on +44 (0)1624 820200.

What happens if I stop my payments?

All premiums must be paid within 30 days of the due date (10 days for the first premium due date). If premiums cease the status of your Plan will then depend on whether it has a value:

- If you stop paying your premiums and the Plan has no value, the Plan will end. No benefit will be payable.
- If you stop paying your premiums and the Plan has a value your Plan will become paid-up and continue to provide cover until the Plan has no value.
- If you stop paying your premiums and the Plan has a value, the cover will stay in place. We will continue to take charges until the Plan has no value. At this point your cover will end.

Will I be able to take my money out?

- You cannot take withdrawals from the Plan.
- If you are looking for a whole of life plan which includes a surrender benefit/potential surrender value then you should discuss alternative protection solutions with your professional adviser.
- You cannot take any money out of your Plan at any time.

How can I purchase the Flexible Life Plan?

Canada Life International 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.

When does the Plan pay out?

- If you have your own Plan, we will pay the level of cover when you die.
- If you have a joint Plan with someone else, we will pay the level of cover after the first death or after both of you have died depending on which option you have chosen (this is subject to full admittance of a claim).

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 or any of the trustees move to such a country, you will no longer be able to pay any premiums into your policy (including additional investments) or switch funds.

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 plans.
- We do, however, continue to offer cancellation rights and you have the right to change your mind and cancel the Plan within 30 days of receiving the document 'Notice of the right to cancel' from us.
- If you decide to cancel the Plan, you will receive a refund of any premium(s) paid.
- You should be aware that if you choose to cancel a Plan where part of the premium(s) has (have) been linked to a fund which deals monthly, quarterly, yearly or less frequently then the following will apply:
- The Plan will be cancelled on the date we receive the cancellation notice.
- We may delay the repayment of your premium(s) linked to the fund described until the dealing date for the fund is reached and cleared funds are received by us.

How is a claim made?

- If a jointly owned Plan, taken out on a first death basis, has come to an end because of the death of one policyholder, the surviving policyholder should contact us for a 'Death claim' form (reference 6387).
- If there is no surviving policyholder or the Plan is in trust then the personal representatives, or the trustees should contact us for a 'Death claim' form (reference 6387).

How does taxation affect the Plan?

- If you are UK resident when you die and the amount of cover is paid, there will be no charge to Income Tax.
- Your plan may not be liable to inheritance tax (as part of your estate) if you have written it in a trust which you cannot benefit from. If the plan is not written in trust, the death benefit will be liable to inheritance tax as part of your taxable estate. You should discuss this with your professional adviser.

The statements made above are based on our understanding of UK tax law as at September 2018. UK tax law, or our understanding of UK tax law, could change in the future. We recommend that you take independent tax advice before taking out a Plan. If you are not resident in the UK, we recommend that you seek local tax advice as to the suitability of the Plan for you.

Canada Life International Limited does not give tax, legal or investment advice and you must rely on advice taken by you.

How to contact us

- You should contact your professional adviser in the first instance.
- If you have any questions you can contact us in the following ways:

Phone: +44 (0)1624 820200 (lines are open Monday to Friday 9.00am – 5.00pm)

E-mail: customer.services@canadalifeint.com

Registered address:

Canada Life International Limited

Canada Life House

Isle of Man Business Park

Douglas

Isle of Man

IM2 2QJ

Website: www.canadalifeint.com

Further information

How to complain

If you need to complain about any part of the service we have provided, please write to us at the address above.

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

Website: www.gov.im/oft

Referring a complaint to the Ombudsman may preclude you from taking legal proceedings.

What legal system applies to the plan

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

What protection is there for this plan?

Policyholders of Canada Life International Limited 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, or on our website www.canadalifeint.com

Terms and conditions

This document is a brief guide to the key features of the Flexible Life Plan. You can read the full terms and conditions in the 'Flexible Life Plan Policy Provisions' (reference 6229) which, together with the application form, makes the legally binding contract between you and us.



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