

Offshore Savings Account

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 have explained and provided you with copies of my initial disclosure document [and Terms of Business] which we discussed and both signed.

Following our latest meeting [on date], I/we recommend that you invest through the Canada Life International Limited (CLI) Offshore Savings Account. The Offshore Savings Account (OSA) is a regular premium life assurance contract which is commonly referred to as an “investment policy” where the premiums can be paid either monthly or yearly. Additional lump sum investments can be added at any time.

The purpose of the OSA is to provide a tax efficient vehicle through which you can obtain capital growth over the medium to long term, virtually free of tax.

I/We discussed the other options open to you, including collective investments, and the OSA offers the best mix of tax efficiency and flexibility to match your personal circumstances, which may change in the future.

I/We believe it is suitable for you, in light of:

- your personal and financial circumstances;
- your needs and priorities, as identified through our fact finding process; and
- your attitude to risk both in general terms and to the specific area of need & recommendation.

The report indicates that you wish to pay regular **monthly/yearly** premiums over the medium to long term, to provide the following:

- potential capital growth;
- deferral of income tax liabilities;
- a choice of investment funds from the CLI Core fund range;
- a choice of investment managers for those funds;
- unlimited free fund switching;
- ability to withdraw capital sums on demand; and
- efficient administration and minimum paperwork.

Fund choice and selection

When making an investment, having a choice which covers the wide range of asset classes and fund types available in the market today is essential.

The OSA invests in CLI's Core investment range, giving you access to over 150 leading investment funds, from some of the world's best investment groups and boutiques. It provides you with choice across all investment types:

- funds investing in a single asset class, such as cash, fixed interest, property and equities
- funds investing in a mixture of some or many asset types
- specialist managers, multi-managers and fund-of-funds
- funds investing into a single geographic region and funds spanning the whole globe
- funds denominated in Sterling, US dollar and euro

Whatever your current or future investment needs, CLI's carefully selected range of funds is designed to offer the solution you seek.

Full details of the charges appropriate to the funds chosen are shown on your personal illustration.

Past performance is not a guide for the future and the value of units can fall as well as rise. Currency fluctuations can also affect performance.

Timescale

The OSA is a whole of life assurance contract with no maturity date. It is issued as ten separate policies and will remain in force until the last policy is surrendered or the death of the last life assured.

Tax advantages

CLI is based in the Isle of Man and therefore does not pay any UK tax within its funds.

If you make any chargeable gains from your investment, you will have an income tax liability at your highest rate. You may pay higher rate tax if it is applicable to your personal circumstances.

A chargeable gain can arise if you take more than the 5% per year cumulative allowance from the policy, if you surrender it in full or on the death of the last life assured.

This information regarding taxation is based on our understanding of current legislation, which may be altered and depends on the individual financial circumstances of the investor.

Withdrawals

Your priority is capital growth, but once you have paid at least **three yearly premiums / 36 monthly premiums** you are able to take withdrawals from the OSA provided that at least £1,000 is left in the Account.

Charges

As discussed with your **professional adviser / me**, the charge for setting-up your OSA is taken by CLI from the policy over three years. The policy offers a full 100% allocation rate.

Risk warnings

The OSA is intended as a medium to long term investment of at least five years.

It is important to note that if the investment growth is less than the amount of any withdrawals being taken from the OSA, capital will be used in making these payments which will reduce the value of your policy.

Please be aware that if you cancel your policy within the first 30 days, you may get back less than you paid in. Further information about your right to change your mind can be found in the Offshore Savings Account Key Features document.

Why Canada Life International Limited

CLI was established in 1987 and is based in the Isle of Man, a jurisdiction recognised for its stable government, strong regulatory controls and policyholder protection measures. CLI continues to receive strong ratings from specialist agencies in relation to financial strength, unit-linked business and commitment to service.

Having been established for over 30 years, Canada Life International remains one of the leading international providers. Our combined assets under administration is £15.8bn (as at 30 Sep 2018).

In July 2003, CLI became a subsidiary of the Great-West Life Assurance Company which is owned by Great-West Lifeco Inc. The Great-West Lifeco Inc Group of companies serve the financial security needs of individuals and organisations in Canada, the United States and Europe, providing retirement savings and income plans, as well as comprehensive protection contracts for individuals and families. With assets under administration of over \$1.3 trillion (as at 31 December 2017) Great-West has been given strong financial strength ratings from both Fitch Ratings and Standard & Poor's.

AKG 5-star rating

AKG is an actuarial consultancy specialising in the provision of information and market assistance to the financial services industry. Each year, AKG representatives visit the head offices of a number of investment companies. From an international investment perspective, every major insurer that operates in an international jurisdiction takes part in the assessment. The AKG ratings, whilst considering the financial strength of the parent group, focuses on assisting intermediaries on evaluating the strength, solvency, business processes and practices of companies such as Canada Life International Limited.

The latest report reaffirmed that CLI is a key player in the international investment market and remains amongst the leading international providers. Furthermore, CLI was the only international insurer to have maintained an overall 5-star Annual Review rating for the sixteenth consecutive year.

Quality of service

Should you not receive a first rate service from CLI then you have the peace of mind of being protected by their investment service charter. This provides you with monetary compensation should they not deliver on their promised response and processing times detailed within the service charter.

Fees

As discussed, for reviewing and analysing your personal and financial objectives and arranging this investment we will be charging a fee of [£xxxx]. As part of the application form you have asked CLI to deduct this amount from the payments you make and they will fulfil this request and arrange for [£xxxx] of each payment over the first [X] months/years to be paid to us on your behalf.

In addition to this, to pay for the ongoing service that we will provide we will make a charge of [£xxx/x.x%] each year. You have requested CLI deduct this amount from the investment and pay it to us on your behalf.

Full details of the charges appropriate to the funds you have chosen are shown on your personal illustration.

Closing

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


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

Thank you for your application.



Canada Life International Limited, registered in the Isle of Man no. 33178. 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 www.canadalife.co.uk Member of the Association of International Life Offices.

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