



Premiere Account

Policy Provisions

Part A: Introduction

1. General definitions and interpretation

'Account' refers to the group of individual Policies for which a Schedule are attached and which are subject to these Policy provisions.

'Actuary' means the actuary for the time being appointed to the Company under the provisions of the Insurance Act 2008.

'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 facilitate as a payment from the Account.

'Commencement Date' means the date on which the Policy commences as shown in the Schedule.

'Company' means Canada Life International Limited.

'Fund(s)' means any Fund created in the Company's long-term business fund containing property acceptable to the Company.

'Alpha Version'; any Fund created in the Company's long-term business fund which only contains property (i) falling within one or more of the categories listed in section 520 of the Income Tax (Trading and Other Income) Act 2005 of the UK (as the same may be amended, modified or re-enacted from time to time) or prescribed by paragraphs 4(3) or 4(4) of the Personal Portfolio Bonds (Tax) Regulations 1999, SI 1999/1029 of the UK (as the same may be amended, modified, re-promulgated or enacted from time to time); and (ii) which meets one or both of the property selection conditions set out in section 521 of that Act (as the same maybe amended, modified or re-enacted from time to time) or the condition specified in paragraph 4(5) of those Regulations (as the same may be amended, modified, re-promulgated or enacted from time to time).

'Omega Version' any Fund created in the Company's long-term business fund containing property acceptable to the Company.

'Policy' means any individual policy identified in the attached Schedule. The Account is either a group of single premium whole of life assurance policies or a group of single premium capital redemption policies. The Account cannot be a mixture of both.

'Policyholder' means the holder of the Policy and includes its administrators, executors and assigns and includes any person who applies for a Policy with the Company and transfers payment of a premium to the Company whether or not the Company has formally issued the Policy.

'Policy Year' means a year commencing with the Commencement Date shown in the Schedule or any anniversary thereof.

'Premium' refers to each payment made into the Policy as shown in the Schedule.

'Registered Office' means Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ.

'Schedule' means the document which records all Policy details and which is a part of the Account.

'Units' means the units in the Fund.

'Value of Units' means the value of the Units allocated to the Policy.

Where the context allows, the masculine shall include the feminine and the singular shall include the plural and vice versa. If an Account is written in a non-sterling currency any amount stated in these Policy provisions or the Schedule in pounds sterling will be deemed to include its equivalent in that currency at the London Exchange Rate as advised to the Company by its bankers.

2. Definitions applicable only to a Policy which is a life assurance policy

'Life Assured' or **'Lives Assured'** means the person or persons shown in the Schedule on whose life or lives the Policy depends. Where two or more lives are assured, the Company will pay the death benefit on the death of the last of the Lives Assured to die (joint life, last death), as stated in the Schedule.

3. Definitions applicable only to a Policy which is a capital redemption policy

'**Maturity Date**' means the date which is 99 years from the Commencement Date.

'**Maturity Value**' means either the Option A Maturity Value or the Option B Maturity Value, as applicable and as described in provision 8, together with any Option A Additional Maturity Value or Option B Additional Maturity Value, if applicable and as described in provision 9, all adjusted by any reduction as described in provision 12.

'**Option A Maturity Value**' means, in respect of the initial Premium, the amount that is:

- IP plus (IP multiplied by the Maturity Value Factor shown in the Schedule)

where IP is the initial Premium.

'**Option A Additional Maturity Value**' means, in respect of an additional Premium, the amount that is:

- AP plus (AP multiplied by the Maturity Value Factor shown in the Schedule) multiplied by (Y divided by Z)

where AP is the additional Premium, Y is the number of complete Policy Years left to expire to the Maturity Date and Z is 99.

'**Option B Maturity Value**' means, in respect of the initial Premium, the amount that is:

- IP multiplied by the Maturity Value Factor shown in the Schedule

where IP is the initial Premium.

'**Option B Additional Maturity Value**' means, in respect of an additional Premium, the amount that is:

- AP multiplied by the Maturity Value Factor shown in the Schedule

where AP is the additional Premium

4. Nature of the Account

The Premiere Account is either a group of single premium whole of life assurance policies or a group of single premium capital redemption policies.

The Schedule will identify whether the Policies in an Account are life assurance policies or capital redemption policies.

Where a Policy is a life assurance policy, the Policy will pay a death benefit linked to the Value of Units as described in provision 7.

Where a Policy is a capital redemption policy, the Policy will pay the Maturity Value on the Maturity Date as described in provision 8 and, if applicable, provision 9. In addition a supplemental maturity payment may be payable on the Maturity Date as described in provision 11.

Sums linked to the Value of Units may be payable on surrender of a Policy or partial surrender of the Account as described in provisions 18 and 19.

5. Contract

Each Policy is written on the basis of the details given in the application form and is subject to these Policy provisions. The application form and any such other written statement form part of the contract between the Policyholder and the Company in respect of each Policy.

These Policy provisions contain all relevant terms and conditions and the Company accepts liability solely in accordance with these terms. The Company shall not have any liability in respect of any alleged conditions, warranty, representation or statement whatsoever differing from these terms whether express or implied or whether collateral hereto or otherwise. No provision or condition of these Policy provisions may be waived or modified except by an endorsement issued by the Company.

Part B: Terms applicable to Policies which are life assurance policies

6. Allocation of Units

On the payment of a Premium and acceptance of the same by the Company, and after the deduction of appropriate charges outlined in provision 14, there shall be allocated to the Policy the number of Units of a particular Fund obtained by dividing the proportion of the Premium appropriate to that Fund (as specified in writing prior to such allocation by the Policyholder) by the relevant price of the Units of that Fund. In respect of the initial Premium, the relevant price shall be that on the Commencement Date or the next valuation date following the Commencement Date if the Commencement Date is not a valuation date. In respect of an additional Premium, the relevant price shall be that on the next valuation date following the acceptance by the Company of the additional Premium.

The Policyholder may give written instructions to the Company to vary the proportions of Units of a Fund or Funds allocated to the Policy or in which future allocations will be calculated. The Company shall act in accordance with such terms (including the amount of any transaction fee) as may from time to time be laid down by the Company. The current transaction fee can be found on the Company's website or by contacting the Company's Registered Office.

Subject to provision 15(c), any variation in existing allocations will be calculated as at the next valuation date following receipt of the correctly completed instructions by the Company. The relevant Units allocated to the Policy will be sold on the next valuation date and their value (reduced by any third party switching charge) applied on the relevant valuation date to allocate Units of a different Fund or Funds to the Policy.

7. Death Benefit

Subject as stated below, on the death of

- the sole Life Assured, or
- the last Life Assured to die, if the Policy is written on two or more lives

the Company shall pay an amount following receipt of written notification of the relevant death.

The amount shall be the Value of Units calculated at the next valuation date following receipt of written notification of the relevant death plus £100.00, or currency equivalent, less the aggregate of any outstanding charges as provided in provision 14.

The Actuary will require all non-cash Units allocated to the Policy that is the subject of a valid claim to be sold or redeemed, and the proceeds of such sale or redemption to be transferred in cleared funds to the cash account of the Account, before determining the Value of Units for the purposes of this provision 7.

The Company will not pay the death benefit until it has received a duly correctly completed claim form, proof of the claimant's title and proof of the (or each) Life Assured's death, together with any other documentation and information it may reasonably require all in an acceptable form.

Part C: Terms applicable to Policies which are capital redemption policies

8. Maturity Value

Prior to the issue of the Policy, the Policyholder will choose the Maturity Value to be paid on the Maturity Date. The choice must be made on the application form for the Policy. There are two possible Maturity Values, only one of which will be paid on the Maturity Date depending on the choice made, as follows:

- **Option A Maturity Value:** In return for the payment of the initial Premium and subject to the Company accepting the same, the Company agrees to pay on the Maturity Date the Option A Maturity Value to the Policyholder. By choosing the Option A Maturity Value the Policyholder understands and accepts that the initial Premium and any additional Premium paid into the Policy will be invested only in Units of the CLI Sterling Money Fund (or such other or additional Fund as the Company may choose in its complete and absolute discretion) until the Maturity Date.
- **Option B Maturity Value:** In return for the payment of the initial Premium and subject to the Company accepting the same, the Company agrees to pay on the Maturity Date the Option B Maturity Value to the Policyholder. By choosing the Option B Maturity Value the Policyholder understands and accepts that the initial Premium and any additional Premium paid into the Policy will be invested in Units in accordance with provision 10 until the Maturity Date, subject always to provision 13.

The Company will not pay the Maturity Value until it has received a duly correctly completed claim form, proof of the claimant's title and any other documentation and information it may reasonably require all in an acceptable form.

9. Additional Maturity Value

Where the Option A Maturity Value has been chosen, any additional Premium paid and accepted by the Company will secure Option A Additional Maturity Value. Accordingly, where the Option A Maturity Value has been chosen, in return for the payment of an additional Premium and subject to the Company accepting the same, the Company agrees to pay the Option A Additional Maturity Value to the Policyholder on the Maturity Date. The Policyholder understands and accepts that the additional Premium paid into the Policy will be invested in and only in Units of the CLI Sterling Money Fund (or such other or additional Fund as the Company may choose in its complete and absolute discretion) until the Maturity Date.

Where the Option B Maturity Value has been chosen, any additional Premium paid and accepted by the Company will secure Option B Additional Maturity Value. Accordingly, where the Option B Maturity Value has been chosen, in return for the payment of an additional Premium and subject to the Company accepting the same, the Company agrees to pay the Option B Additional Maturity Value to the Policyholder on the Maturity Date.

10. Allocation of Units: Option B Maturity Value only

On the payment of a Premium and acceptance of the same by the Company, and after the deduction of appropriate charges outlined in provision 14, there shall be allocated to the Policy the number of Units of a particular Fund obtained by dividing the proportion of the Premium appropriate to that Fund (as specified in writing prior to such allocation by the Policyholder) by the relevant price of the Units of that Fund. In respect of the initial Premium, the relevant price shall be that on the Commencement Date or the next valuation date following the Commencement Date if the Commencement Date is not a valuation date. In respect of an additional Premium, the relevant price shall be that on the next valuation date following the acceptance by the Company of the additional Premium.

Subject to provision 13, the Policyholder may give written instructions to the Company to vary the proportions of Units of a Fund or Funds allocated to the Policy or in which future allocations will be calculated. The Company shall act in accordance with such terms (including the amount of any transaction fee) as may from time to time be laid down by the Company. The current transaction fee can be found on the Company's website or by contacting the Company's Registered Office.

Subject to provision 15(c), any variation in existing allocations will be calculated as at the next valuation date following receipt of the correctly completed instructions by the Company. The relevant Units allocated to the Policy will be sold on the next valuation date and their value (reduced by any third party switching charge) applied on the relevant valuation date to allocate Units of a different Fund or Funds to the Policy.

11. Supplemental Maturity Payment

In the event that at the Maturity Date the Value of Units, less the aggregate of any outstanding charges as provided in provision 14, exceeds the Maturity Value, the Company will pay to the Policyholder an additional sum equal to the excess.

The Value of the Units will be calculated at the next valuation date following the Maturity Date. The Actuary will require all non-cash Units allocated to the Policy to be sold or redeemed and the proceeds of such sale or redemption to be transferred in cleared funds to the cash account of the Account, before determining the Value of Units for the purposes of this provision 11.

The Company will not pay the supplemental maturity payment until it has received a duly correctly completed claim form, proof of the claimant's title and any other documentation and information it may reasonably require all in an acceptable form.

12. Reduction in the Maturity Value following partial surrender of the Account

A partial surrender of the Account effected in accordance with provision 19 will reduce the Maturity Value payable on the Maturity Date. In each case the reduction will correspond to the amount paid on partial surrender as a proportion of the amount which would be payable on the full surrender of the Account at that time (if it were to be surrendered at that time) in accordance with provision 18.

13. Suspension or Termination of Unit Variation: Option B Maturity Value only

By permitting the Policyholder to exercise the rights to vary the proportions of Units of a Fund or Funds conferred by provision 10, the Policyholder agrees and accepts that the Company will be subject to financial risk created by the Policyholder's decisions.

Accordingly, in the event that the Value of Units falls below the Maturity Value, the Company will suspend or terminate the Policyholder's right to vary the Units allocated to the Policy. The Company will give notice of this decision to the Policyholder and any fund adviser, and from the effective date of that notice as specified in the notice (which may be the date of the notice itself) the Company will assume complete control of investing and re-investing the value of the Units allocated to the Policy at that time.

For the avoidance of doubt, this provision will also apply to any fund adviser managing the Units allocated to the Policy and any third party discretionary investment manager or adviser appointed by the Company (and nominated by the Policyholder) to manage the investments of a Fund the Units of which are allocated to the Policy.

The Company shall have no liability to the Policyholder (or any other party interested in the Account) for any loss suffered by them as a result of the Company exercising this right.

Part D: Terms applicable to all Policies

14. Charges and Fees

The three charging options are described in more detail below.

The Option you have selected is included in your illustration.

Establishment Charge

Option 1 – On the establishment of the Account this charge will be calculated by the Company and will reflect the Company's establishment charge. This charge will be deducted from the Premium before investment and the Company will apply the net investment amount to your Account.

Option 2 – On the establishment of the Account this charge will be calculated by the Company and will reflect the Company's establishment charge. The charge will be met by cancelling sufficient Units allocated to the Account for the period shown on days determined by the Company.

Option 3 – On the establishment of the Account the Company will not levy its own establishment charge. An annual management fee will be taken quarterly in arrears at the end of each calendar quarter based on the Value of Units at the end of that quarter or the cumulative Premium(s) whichever is the higher. The amount of the fee is shown in your personal illustration.

Fund Adviser Fee

Where the Policyholder has nominated and the Company has appointed a fund adviser and the Policyholder has instructed the Company to pay the fund adviser a fee from the Account for the investment management services supplied, the Company will deduct the fee from the Account by cancelling sufficient Units such that their cancellation value is equal to the fee. The amount and frequency of the fee payable to the fund adviser is at the Company's discretion, and the days on which it is deducted will be determined by the Company.

Adviser Charge

Where the Policyholder has asked the Company to pay an adviser charge to the professional adviser, the appropriate amount will be deducted from the Account by cancelling sufficient Units on days determined by the Company and paid to the professional adviser.

Third Party Charges

The Company shall not be liable for any third party charges incurred in the sale of Units, transmission of the Premium, withdrawals or claims proceeds. These costs will be borne by the Account or the Policyholder.

Income and expenses

The income from the investments of each Fund shall form part of the Fund and all expenses and outgoings in respect of the investments (including costs of management, maintenance and valuation of real properties and mortgage interest and any other costs of borrowing) and tax, if any, shall be deducted from the Fund.

15. Funds and Units

a. Funds

Each of the Funds is a separate and identifiable Fund which falls within a standard menu of Funds offered by the Company and forms part of the Company's long-term business fund.

Each Fund's constituent investments are at the absolute discretion of the Company and the proportions in which they are maintained may be varied by the Company from time to time.

b. Units

Each of the Funds is divided into Units.

c. Unit Prices and Fund Valuation

Unit prices and the value of each Fund on which they are based will be calculated on dates and with a frequency determined by the Company.

The Unit price will be calculated on whatever basis the Actuary considers appropriate (acting in good faith) but will have regard to the value of the assets forming that Fund. The maximum value we place on assets in the Funds is the lowest 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 highest market price for which they could be sold less any dealing and other related costs that we may pay on sale. Where the Fund is an external one, each external company values its own funds at its complete discretion and then provides us with a price or prices which we use in order to value each external fund. In the case of real property, the value will have direct reference to valuations prepared and certified by independent valuers appointed by the Company, adjusted to take into account variations in property prices between such valuations. 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. In the case of securities quoted on a recognised stock exchange the values will have regard to the latest market prices.

d. General

The references to Funds and Units are made solely for the purpose of calculating benefits conferred under the Account and neither the Policyholder nor any other person entitled to benefit shall have any legal or beneficial interest in the Funds or the Units or any underlying assets these being solely the property of the Company.

16. Taxes and Special Circumstances

- a.** If there is any change in the law including tax law which affects the Account, or if the right of the Company to invest in any particular investment is altered, or if in the Actuary's opinion (reached in good faith) it becomes impossible for a term or terms of the contract to be performed, then the provisions of and the benefits provided under the Account may be varied by the Company so long as such variation is fair and appropriate. Any variation would take effect 30 days after the Company has written to you informing you of the change.
- b.** In calculating the value of the Fund, the Actuary will make due allowance for income received or accrued, for outgoings of whatever nature regarding the investments of the Fund, and for any actual or prospective contingent or other liability for taxation or any levy or charge or cost the Actuary considers relevant (acting in good faith) with particular regard to the Life Assurance (Compensation of Policyholders) Regulations 1991 and for the costs incurred in managing the Fund.
- c.** The Company reserves the right to sell from time to time some or all of the Units allocated to the Account to meet any outstanding charges as provided in provision 14 without seeking or obtaining the prior consent of the Policyholder or any appointed fund adviser.
- d.** The Company will on a regular basis take such action as is necessary to clear any debit balances allocated to the Account. Such debit balances will be cleared by selling Units allocated to the Account in the following order of priority:
 - i.** Units of any cash Fund managed by the Company and allocated to the Account;
 - ii.** Units selected by the Policyholder or any appointed fund adviser for this purpose; and
 - iii.** if the Policyholder or any appointed fund adviser has not so selected any Units or the sale of such Units realises insufficient monies, the Company will sell such Units as it considers appropriate.
- e.** We must be notified in writing of any change to your permanent country of residence. Should this change to a country where legislation may mean that we are unable to continue to receive Premiums into the Account (for example the United States of America) you will no longer be able to pay any Premiums into your Account (including additional investments in specie) or vary the Units allocated to your Policy. You may also be required to surrender your Policy.

17. Claims Provisions

a. Persons entitled to Payment

Unless otherwise stated in the Schedule, the Account is issued to the Policyholder and the benefits are payable to him or his administrators, executors or assigns.

b. Claims Procedure

The Company will not pay any surrender benefit or partial surrender benefit until it has received a duly correctly completed form, proof of the claimant's title together with any other documentation and information it may reasonably require all in an acceptable form.

c. Place of Payment

All benefits are payable in the Isle of Man.

18. Surrender Benefit

On receipt from the Policyholder of a request to surrender the Policy in full, the Company shall pay an amount equal to the Value of Units calculated at the next valuation date reduced by the aggregate of any outstanding charges as provided in provision 14. The surrender benefit must be claimed by the Policyholder on the appropriate form, which will be supplied by the Company on request.

The Actuary will require all non-cash Units allocated to the Policy to be sold or redeemed, and the proceeds of such sale or redemption to be transferred in cleared funds to the cash account of the Account, before determining the Value of Units for the purposes of this provision 18.

19. Partial Surrender Benefit (Single and Regular Withdrawals)

The partial surrender benefit is a cash benefit which, subject as provided below, the Company may provide to the Policyholder on request.

The partial surrender benefit must be claimed by the Policyholder on the appropriate form, which will be supplied by the Company on request. Once the Company has accepted the amount of the partial surrender benefit so claimed by the Policyholder, the Company will pay the amount due as follows. The Company will determine the Value of Units on the next valuation date and having done so will cancel sufficient Units equally from each Policy in force to confer the partial surrender benefit. The payment of the partial surrender benefit may be subject to delay if the Value of Units cannot be determined accurately on the relevant valuation date.

20. General

a. Premium: All Premiums payable under the Account shall be paid to the Company in the Isle of Man by a method acceptable to the Company. Additional Premiums, each not less than the minimum designated by the Company from time to time, may be paid at any time while this Account is in force.

b. Notices: All written notifications, information, notices and requests to the Company shall be supplied to the Company in a form acceptable to it at its Registered Office or such other place as the Company shall appoint.

c. Assignments: All notices of assignment affecting the title to the Policy must be given to the Company at its Registered Office or such other place as the Company shall from time to time appoint and must state the date and purpose of the assignment. No agent of the Company is authorised to receive, acknowledge or transmit any notice of assignment. The title to the Policy may only be assigned in whole and not in part.

21. Liability

If the Company has any assets representing part or all of the Fund of any Account held with, or invested in, an entity which fails, defaults or enters insolvency or a similar procedure (a 'Defaulting Third Party'), the right of the Company to share or partake in any compensation scheme applicable to that Defaulting Third Party is likely to be limited to that of one customer of the Defaulting Party regardless of how many Policyholders of the Company had relevant Funds (or assets within such Funds) invested in or held with that Defaulting Third Party.

The Company shall have no liability to the Policyholder (or any other party interested in the Account) for any loss suffered by them, the Account or the Fund which is caused directly or indirectly by the default, failure, collapse, insolvency, restructuring or any other act or omission of any custodian bank, investment manager, bank financial institution, agent, nominee, contract counterparty, issuer or any asset or investment in the Fund, professional adviser or other relevant party and whether the loss arises from a loss of funds, assets, title documents or otherwise.

The Company shall not be liable for any loss or damage of any kind suffered by the Policyholder (or any other party interested in the Account) as a result of any event outside the Company's control (for example, but without limitation, an agent or third party failing to act on instructions, interruption or delay in the performance of contractual obligations caused by strike, industrial action, systems failure or terrorism).

22. Law

- a.** These Policy provisions shall be governed by and construed in accordance with Isle of Man law and the parties agree to submit to the non-exclusive jurisdiction of the Isle of Man courts as regards any claim or matter arising out of or in connection with these Policy provisions.
- b.** These Policy provisions do not, by virtue of the Contracts (Rights of Third Parties) Act 2001 or otherwise, confer any rights or benefits on any person or class of persons existing now or in the future, who is not a party to it except that a party's assignee or successor will be deemed to be a party to these Policy provisions.



Canada Life International

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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