

Premiere Europe Discounted Trust Account

Policy Provisions



Part A: Introduction

1. Definitions

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

'Actuary' means the actuary for the time being appointed to the Company.

'Adviser Charge' means a charge payable on behalf of the Policyholder (and not the First Policyholder) to a professional adviser (or the professional adviser's firm), in relation to the provision by that adviser (or that firm) of a personal recommendation in respect of the Policy (or any related service), and which is agreed between that adviser (or that firm) and the Policyholder (and not the First Policyholder).

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

'Company' means Canada Life International Assurance (Ireland) DAC.

'First Policyholder' means the person who has or persons who jointly have, taken out the Policy and includes the survivor of them and where the context permits his or their nominee or bare trustee for the time being.

'Fund(s)' means any fund created in the Company's life assurance fund containing property that is acceptable to the Company (the Company may issue guidance from time to time as to what constitutes permitted property).

'Policy' means any individual policy identified in the attached Schedule and which is subject to these policy provisions. 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 Account/Policy.

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

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

'Registered Office' means Irish Life Centre, Lower Abbey Street, Dublin 1.

'Schedule' means the document which records details particular to the Policy details and which is a part of the Policy.

'Units' means units of a 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 a Policy 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, 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 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.

4. Nature of the Account

The Premiere Europe Discounted Trust 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 and the policy is in-force on the Maturity Date, we will pay the Maturity Value on the Maturity Date as described in provision 8. In addition a supplemental maturity payment may be payable on the Maturity Date as described in provision 10.

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 17 and 18.

5. Contracts

Each Policy is written on the basis of the details given in the application form, medical statement or any other written statement which has been given to the Company by the Policyholder or the Life or Lives Assured and is subject to these Policy provisions. The application form, any health questionnaire, medical statement and any such other written statement form part of the contract between the Policyholder and the Company in respect of each Policy. The Policy contains all the terms and conditions of the contract between us and the Company accepts liability solely in accordance with its 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 the Policy may be waived or modified except by an endorsement issued by the Company and signed by an authorised official thereof.

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 13, 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 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.

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 14(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 13.

The Actuary will require all 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 paid into the Policy will be invested only in Units of the CF Canlife UK Government Bond Fund (or such other or additional Fund as the Company may choose in its complete and absolute discretion) until the Maturity Date. The Company will only switch your investment from the CF Canlife UK Government Bond Fund or any replacement fund in exceptional circumstances which would include the following:
 - The CF Canlife UK Government Bond Fund or the replacement fund is closed by the fund manager.
 - The CF Canlife UK Government Bond Fund or replacement fund becomes illiquid.
 - Trading in the CF Canlife UK Government Bond Fund or replacement fund is suspended.

We will notify you if we make any such change as soon as we can.

- **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 paid into the Policy will be invested in Units in accordance with provision 9 until the Maturity Date, subject always to provision 12.

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. 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 13, 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.

Subject to provision 12, 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 14(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.

10. 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 13, 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 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 10.

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.

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

A partial surrender of the Account effected in accordance with provision 18 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 17.

12. 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 9, the Policyholder agrees and accepts that the Company will be subject to financial risk created by the Policyholder's decisions.

In the event that the Value of Units falls below the Maturity Value, the Company will stop the Policyholder's right to choose the fund or funds in which the remaining value is invested to enable the company to ensure the Maturity Value can be paid. The Company will give notice of this decision to the Policyholder and any fund adviser, and from the effective date of that 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.

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 because of the Company exercising this right.

Part D: Terms applicable to all Policies

13 Charges and Fees

There are two charging options available:

Option 1 and Option 3 (both of which are described in more detail below).

The option you have selected and the level of charges are shown in your Illustration, which has the same date as the commencement date on your Policy Schedule.

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.

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.

Administration Charge

The administration charge is deducted from the Account on a quarterly basis from the trading cash account or by cancelling sufficient Units allocated to the Policy such that their cancellation value is equal to the charge.

The amount of the administration charge and the days on which it is deducted will be determined by the Company.

Fund Adviser Fee

Where the Policyholder has agreed a fee for fund advice, the agreed amount can be deducted from the Account from the trading cash account or by cancelling sufficient Units allocated to the Policy on days determined by the Company and paid as a fee to the fund adviser.

Adviser charge

Where the Policyholder has asked the Company to pay an Adviser Charge to a professional adviser, the appropriate amount may be deducted from the Account from the trading cash account or by cancelling sufficient Units allocated to the Policy on days determined by the Company and paid to the professional adviser.

Third Party Charges

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

Interest Charge

The Account includes a trading cash account from which all fees, policy charges, adviser charges, purchases, withdrawals and partial surrenders are debited. It is important to monitor the trading cash account and maintain a positive balance. Any overdrawn/negative balances will incur interest charges of 3% above the prevailing UK Bank of England base rate for the overdrawn period. This interest will be deducted quarterly in arrears.

Income and Expenses

The income from the investments of each Fund shall accrue to and form part of the Fund and all expenses and outgoings in respect of the investments (including without limitation 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.

14. Funds and Units

a. Funds

Each of the Funds is a separate and identifiable Fund and forms part of the Company's life assurance 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 by the Actuary on dates and with a frequency determined by the Company. The Unit price will be calculated on whatever basis the Actuary considers appropriate 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.

Each external fund 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.

d. General

The references to Funds and Units are made solely for the purpose of calculating benefits conferred under the Policy 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.

15. Taxes and special circumstances

- a.** If there is any change in the law or taxation which affects the Policy, or if the right of the Company to invest in any particular investment is altered for any reason, or if there is a change in circumstances which in the Actuary's opinion means it becomes impracticable or impossible for these provisions to be effective, then the provisions of and the benefits provided under the Policy may be varied by the Company in whatever way the Company considers fair and appropriate.

Similarly, should Units of any other type be issued in the Funds, the Actuary may vary the method of calculating the prices of the Units allocated to the Policy, but without reducing the value of the benefits under the Policy.

- 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 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 Policy to meet any outstanding charges as provided in provision 13 without seeking or obtaining the prior consent of the Policyholder or any fund adviser.
- d.** The Company will on a regular basis take such action as is necessary to clear any debit balances allocated to the Policy. Such debit balances will be cleared by selling Units allocated to the Policy in the following order of priority:
- i. Units selected by the Policyholder or any nominated fund adviser for this purpose; and
 - ii. if the Policyholder or any nominated 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.** The Company must be notified in writing of any change to the Policyholder's or the First Policyholder's permanent country of residence. Should this change to a country where legislation may mean that the Company is unable to continue to provide benefits under the Policy to the Policyholder or the First Policyholder, the Company may cease to permit Unit variations and may terminate the Policy and pay an amount equal to the surrender benefit as described in provision 17 to the Policyholder.

16. Claims Provision

a. Persons entitled to Payment

Unless otherwise stated in the Schedule, the Policy 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 benefits due under the Policy until it has received a duly completed claim, surrender or maturity form, proof of the claimant's title and, in the case of the death benefit, proof of the life assured's or the last life assured's death, together with any other documentation and information it may reasonably require all in an acceptable form to assess the claim. This is subject to full settlement of all Units allocated to the Policy(ies).

c. Place of Payment

All benefits are payable in Ireland.

17. Surrender Benefit

The Policy may not be surrendered during the lifetime of the First Policyholder.

Following the death of the First Policyholder, the Policyholder may surrender the Policy, on the following terms: subject to provision 16(b), 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 request must be in writing on the form supplied by the Company.

18. Partial Surrender Benefit (Single and Regular Withdrawals)

- a.** The single partial surrender benefit is a cash benefit which, subject as provided below, the Company may provide to the Policyholder following the death of the First Policyholder.

The single 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 single 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 single partial surrender benefit. The payment of the single partial surrender benefit may be subject to delay if the Value of Units cannot be determined accurately on the relevant valuation date.

- b.** The regular partial surrender benefit is a cash benefit which, subject as provided below, the Company may provide to the First Policyholder at yearly, half yearly, quarterly or monthly intervals.

The regular partial surrender benefit is claimed by the First Policyholder on the application form.

The Company will pay the amounts due as follows. The Company will determine the Value of Units, as reduced by the aggregate of any outstanding charges as provided in provision 13, on the valuation date immediately preceding the date of payment. Having done so, the Company will cancel sufficient Units equally from each Policy in force to confer the regular partial surrender benefit. The payment of the regular partial surrender benefit may be subject to delay if the Value of Units cannot be determined accurately on the relevant valuation date.

Once established the amount or frequency of the regular partial surrender benefit cannot be varied. The regular partial surrender benefit will cease to be payable by the Company on the earlier of the death of the First Policyholder or the Value of Units, as reduced by the aggregate of any such outstanding charges, being nil.

19. General

a. Premium

The Premium payable under the Policy shall be paid to the Company in Ireland by a method acceptable to the Company. The Premium is due on the Commencement Date. No additional premiums may be paid at any time after the Commencement Date.

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.

d. Age of the life assured

If the age of the life assured (or the age of any or all the lives assured if more than one) is incorrectly stated in the application form or in the Policy, the terms shall be adjusted by the Actuary to such terms as would be appropriate having regard to the true age or ages.

20. 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 advisor 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).

21. Law

- a.** Subject to clause 15(b), this contract shall be governed by and construed in accordance with Irish law and the parties agree to submit to the non-exclusive jurisdiction of the Irish courts as regards any claim or matter arising out of or in connection with these provisions.
- b.** The essential validity of the Policy as regards the Policyholder's insurable interest in the life or lives assured and the nomination of that life or lives assured by the Policyholder to the Company in the application form shall be governed by and interpreted in accordance with the laws of the Isle of Man. In particular, section 4(2) of the Life Assurance (Insurable Interest) Act 2004 of the Isle of Man shall apply.
- c.** These provisions do not 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 provisions.



For further information about Canada Life International Assurance (Ireland) DAC,
please visit www.canadalifeinternational.ie or call us on **+44 (0) 1624 820200**.

Canada Life International Assurance (Ireland) DAC, registered in Ireland no. 440141. Registered office: Irish Life Centre, Lower Abbey Street, Dublin 1, Ireland
Telephone: +44 (0) 1624 820200 Fax: +44 (0) 1624 820201 www.canadalifeinternational.ie Member of the Association of International Life Offices.

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