



## NEW OPEN ANNUITY 10 YEAR GUARANTEE

We have extended the features of the New Open Annuity to allow a 10 year guarantee period. Purchasing a New Open Annuity with a guarantee period means that if the policyholder dies then the existing policy will continue until the end of the guarantee period.

What do we mean by guarantee?

With a conventional annuity there is usually the option to purchase an annuity with a guarantee period. This means that, should the annuitant die, then the annuity will continue to be paid for the remainder of the guarantee period. Guarantee periods are usually for 5 years but can be up to a maximum of 10.

However, as the annuity provider will be paying out the annuity for a longer period of time i.e. beyond death then there is a cost involved which means that the starting annuity is lower than if a guarantee had not purchased.

This is not the case with the New Open Annuity.

How does the guarantee period affect the policyholder's income levels with the New Open Annuity?

With the New Open Annuity income limits at inception are always calculated on the basis of a single person buying an annuity payable annually in arrears with no increases in payment and with no guarantee period.

Therefore if a policyholder wishes to include a dependant or a guarantee period then the income limits from the New Open Annuity do not change.

How does it work?

- The amount of income payable will be the amount being taken immediately before the death of the policyholder;
- The recipient of the income during the guarantee period may vary the income and take any amount between the limits calculated at the inception of the policy or at the latest review;

- During the guarantee period policy reviews will take place as if the policyholder had not died and income limits will be recalculated accordingly;
- The recipient of the income during the guarantee period is responsible for the ongoing investment decisions;
- There is no additional charge for this option - our standard policy charges will continue to apply;
- At the end of the guarantee period the policy and any remaining fund will revert to provide an income for any dependant that the policyholder has selected.

Why choose a guarantee period?

The benefits of selecting a guarantee period with the New Open Annuity are:

- The maximum income payable to the policyholder may be greater than that applicable to a dependant – this will help to extract more of the fund for investment/tax planning outside the pension/annuity constraints and minimise "left-overs" to charity.
- The policyholder may want to pay income to someone other than a dependant.
- For policyholders with no dependants more of the fund can be extracted until the end of the guarantee period and this can be passed on to family rather than being paid to charity.

If you wish to include a 10 year guarantee period in your policy please complete the form overleaf.

For further information please call 0870 7566696 or email [info@londoncolonial.com](mailto:info@londoncolonial.com)

continued overleaf...

If you would like to include the guarantee option with your policy please complete the following details:

Request for a 10 year guarantee period

To London & Colonial Assurance PLC

From

Full Name	<input type="text"/>
Address Line One	<input type="text"/>
Address Line Two	<input type="text"/>
Town	<input type="text"/>
County	<input type="text"/>
Postcode	<input type="text"/>

I would like you to include a 10 year guarantee period when issuing the New Open Annuity policy so that in the event of my death income will continue to be paid until the end of the guarantee period.

I would like any remaining instalments of income to be paid to (please tick one of the boxes below):

the second annuitant named in the policy at the time of my death

to my estate to be distributed in accordance with my will.

I further understand that the recipient(s) of the income during the guarantee period will be responsible for all investment decisions during the guarantee period.

Signature

Date

In case of difficulty in completing this form please contact London & Colonial

When completed this form should be returned to London & Colonial together with the application form.

For more information please contact our Administration Office:

London & Colonial  
38-42 Perrymount Road  
Haywards Heath  
West Sussex  
RH16 3DN  
Tel: 0870 7566696  
Fax: 0870 7566697  
Email: [info@londoncolonial.com](mailto:info@londoncolonial.com)  
Web: [www.londoncolonial.com](http://www.londoncolonial.com)