

NEW OPEN
ANNUITY

KEY FEATURES OF THE NEW OPEN ANNUITY





New Open Annuity Key Features

You should read this Key Features document carefully in conjunction with any illustration that has been provided to you, so that you understand what you are purchasing. The *New Open Annuity* is not suitable for everybody and it is essential that you receive financial advice before applying.

It is also a condition of the *New Open Annuity* that you receive ongoing advice from an appropriately authorised adviser throughout the duration of the contract.

What is the purpose of this document?

The purpose of this document is to provide you with a summary of the information that you may require concerning the *New Open Annuity* and whether it is right for you. By providing you with answers to those all important questions, we hope to assist you in determining whether or not it will meet your requirements. Ensure that you keep this document in a safe place for future reference.

What is the *New Open Annuity*?

The *New Open Annuity* is a Lifetime Annuity and is designed to help you to invest more effectively for your retirement.

The *New Open Annuity* offers you the opportunity to select from a wide range of investment products and asset classes. The *New Open Annuity* provides access to whole of market investment providers - Investment Managers, Execution Only Stockbrokers, Offshore Bonds and Investment Platforms. Please note however, that all investments will be subject to our accessibility criteria as set out in our Permitted Investment List.

Aims

- Gives you control over the investment choices and decisions you may choose to make from which your income is paid, (under guidance from your financial / investment adviser).
- Provides you with the flexibility to choose the level of your required income each year.
- Provides your nominated beneficiaries with lump sum and/or income benefits in the event of your death.

Your commitment

- To instruct payment of your pension fund from a UK Registered Pension scheme to the *New Open Annuity*.
- To continue to receive income payments for the rest of your life.
- To regularly review, together with your financial adviser, the performance of the investments held within your *New Open Annuity*, so as to ensure the retirement income you are anticipating remains achievable.

The risks

As the value of your investments, as well as any income derived from them, can go down as well as up the value of your annuity cannot be guaranteed. You could get back less than the amount originally invested, and past performance should not be taken as any indication of an investment's future returns.

All charges associated with the *New Open Annuity* are subject to change. The charges may therefore be more than those assumed in the illustration. For full details of the charges that currently apply, please refer to the Policy Charges document (available via our website, or upon request).

- The value of your *New Open Annuity* depends on the success or otherwise of the underlying investments. The value of your investments and your income payments can fluctuate and are not guaranteed.
- The investment of your fund will be the responsibility of the investment adviser that you nominate (subject to our consent). London & Colonial have no responsibility for any investment decisions or for the performance of the investments that are made.
- The value of investments not held in pounds sterling may be adversely affected by fluctuations in currency exchange rates.
- The spending power of your retirement income may reduce over time due to the eroding effects of inflation.
- If the payment of an income is to be continued to a dependant after your death, dependency will be assessed at the date of death. An annuity for a spouse or civil partner may be paid regardless of dependency.
- The tax treatment of your investments, retirement income, and / or other benefits for taxation purposes may be subject to change, therefore cannot be guaranteed for the future.

Frequently Asked Questions:

Who can have a *New Open Annuity*?

The *New Open Annuity* is available to anyone who is a member of a UK Registered Pension Scheme and has reached Minimum Pension Age (usually 55 but can be earlier if the member is in ill health).

Who is it suitable for?

The *New Open Annuity* is suitable for individuals who wish to use their pension fund to purchase an annuity that provides greater flexibility for income and investment choice as an alternative to a conventional annuity but do not require a guaranteed level of income.

Is there a minimum investment required?

£100,000

Transfers

What type of transfers can the *New Open Annuity* accept?

Transfers from any UK Registered Pension Scheme are acceptable.

Transfers can be made in cash or, for those assets already outlined in our Permitted Investments List, on an "In-Specie" basis.

Investments

What investments can I access with the *New Open Annuity*?

The *New Open Annuity* can offer you the opportunity to invest in products which provide far greater levels of flexibility and choice. It is important to note that all investments carry a degree of risk, some more than others, and you may get back less than you originally invested. In some cases you may even lose all of your investment.

The *New Open Annuity* provides access to whole of market investment providers - Investment Managers, Execution Only Stockbrokers, Offshore Bonds and Investment Platforms.

All available investment classes are outlined in our Permitted Investments List.

London & Colonial does not offer investment advice. Any wise investment decision requires an appreciation of the future marketability and/or liquidity of the chosen investment, and the maintenance of an appropriately balanced investment portfolio is important. Although we cannot provide advice regarding the suitability of any investment, we do reserve the right to refuse to hold within your *New Open Annuity* any proposed investment if we consider it would be likely to carry unacceptable risks for us as owner or require unduly complex administration.

London & Colonial require that a minimum cash balance must be maintained in order to enable up to one year's maximum income to be paid if needed. Please refer to our investment notes for further details.

What are the permitted investments?

For a list of the range of investment types that are acceptable for inclusion within the *New Open Annuity*, please refer to our Permitted Investments List. A copy of this is accessible via our website at www.londoncolonial.com/downloads or available from us upon request.

London & Colonial reserve the right to amend the Permitted Investments List at any time.

Can I manage my own investments?

Yes but it is a requirement that you choose a person or firm (who must be suitably authorised under the UK Financial Services and Markets Act 2000) to advise you on the investments. You and your chosen adviser will agree the strategy and basis upon which investments are to be made.

What happens if my investment requirements change?

You can change your investments at any time (except where they are subject to restrictions preventing this).

You are required to seek financial advice from an appropriately authorised Investment Manager, or Investment Adviser, before making any firm investment decisions.

Taking income from your *New Open Annuity*

When can I take an income from the *New Open Annuity*?

Once your policy has commenced you may choose the level of your income payments between maximum and minimum amounts that we will calculate. The basis of this calculation is laid down in UK regulations.

The amount of income will be based upon the average of 3 annuity rates available in the market place. The annuity rates used can include Standard or Enhanced/Impaired Life rates depending on your circumstances.

The maximum income will be 120% of this amount and the minimum income will be 50%.

The limits are reviewed from time to time.

The limits may go up or down and reviews will take place at intervals not exceeding three years. On each policy anniversary we will send you details of the revised income levels that would apply if a review were to take place at that time.

You may request a review at any time but it will be subject to an extra charge if not carried out on the policy anniversary (see separate policy charges leaflet).

Is my income taxable?

Any income you receive will be classed as earned income under current UK PAYE arrangements, and taxed accordingly. Tax will be deducted using the tax code we receive from HM Revenue & Customs (HMRC), and where this remains outstanding the emergency tax code will be used.

How frequently can my income payments be made?

You will have the option to vary your regular income as required. Income can be paid to you on a monthly, quarterly, half-yearly, or annual basis. Additional one-off payments, as and when required, are also permitted, as long as you are not already in receipt of the maximum income allowed for that year.

Can I transfer to a guaranteed annuity?

Yes. You have the option at any time to request that the *New Open Annuity* be transferred to a guaranteed annuity. You may choose another insurer on whatever terms may be offered at that time.

Death benefits

What happens when I die?

On death, the remaining value of your fund can be used to provide a cash lump sum (annuity protection lump sum and charity lump sum) and/or income benefits.

Your annuity can include a guaranteed payment period of up to 10 years as well as a nominated second life annuity.

If you die before the age of 75, annuity protection lump sum and income benefits are paid tax free.

Where you die aged 75, or older, then the annuity protection lump sum will be subject to tax at 45% and any nominated second life or Beneficiary's income payments will be subject to income tax at the marginal rate of the recipient.

Who can I nominate as a second life annuitant and what are they entitled to?

You can nominate your spouse, civil partner, financial dependent or another dependent as a second life annuitant to your *New Open Annuity*.

You can make the nomination at anytime during your lifetime and you are also able to change your nomination at anytime.

If on your death, and after other benefits have been paid, there are still monies available within your annuity fund then the second life annuitant can receive an income from the policy in their own right. The income limits will be based upon the second life annuitant's details and will continue for the rest of their life.

On death of the second life annuitant any residual annuity fund can be paid to your nominated charity.

What does the guaranteed payment period entitle me to?

You may select a guaranteed payment period of up to a maximum of 10 years. This means that if you die within 10 years of the commencement of the contract the income will continue to be paid for the remainder of the 10 year period. The "Guarantee period" represents a guarantee to pay income for a set length of time but does NOT guarantee a level of income payable during that period. The income during the period will fluctuate in line with prevailing annuity rates and the fund value at the time.

What is an Annuity Protection Lump Sum payment?

It is the maximum lump sum that we are permitted to pay under the policy and is calculated as the original annuity purchase price less total gross income payments made to the date of death.



If the remaining fund is equal to or less than the maximum amount payable then we will pay the fund value as a lump sum. If the fund is greater than the maximum payable we will pay the maximum allowable and any excess will be used to provide an income to your chosen dependent(s) or nominated second life annuitant.

What is a Charity Lump Sum Death Benefit payment?

On your death any residual annuity fund can be used to provide a cash lump sum to one or more UK registered charities nominated by you. A similar payment can be made on the death of any second life annuitant.

Under current legislation this is paid tax free.

What are the charges associated with the *New Open Annuity*?

For full details of all charges associated with the *New Open Annuity* please refer to our Policy Charges document, a copy of which is available upon request or via our website at www.londoncolonial.com

Can I change my mind?

You will have the opportunity to cancel your *New Open Annuity* within 30 days from the day that you receive our letter accepting your application. Once you receive this, should you wish to cancel just complete the cancellation notice enclosed with that letter, and return it to us at the following address:-

The Annuity Team
38-42 Perrymount Road
Haywards Heath
West Sussex
RH16 3DN

You will also have 30 days in which to change your mind with regards to any additional transfers from a UK Registered Pension Scheme.

Will I lose anything if I cancel within 30 days?

If you change your mind within the cancellation period we will return any transfer payments to the Registered Pension Scheme in question.

Please note:

- Where you decide to cancel your *New Open Annuity* within the cancellation period, none of our usual charges will apply. Refunds associated with assets already purchased during the cancellation period may be subject to fluctuations in their value and/or investment costs/charges. As a result you may not get back the same amount as was originally invested.
- Third party costs associated with the purchase or sale of any assets during the cancellation period (for example, stockbroker fees for shares purchases) cannot be refunded.
- It may not always be possible to return transferred funds to their original Registered Pension Scheme. Where this is the case it will be your responsibility to make arrangements for the funds to be transferred into an alternative UK Registered Pension Scheme.

What information will you send me?

A statement will be emailed, or posted out, to you around the anniversary of the original start date of your *New Open Annuity*.

This annual statement will include full details of all transactions, administration charges, and adviser fees associated with your policy for the previous 12 months. A valuation of the assets currently held within your *New Open Annuity* will also be included.

We will also send you:

- a payslip detailing both the amount of income we have paid to you and the amount of tax that has been deducted (if you have requested us to do so)
- a P60 after the end of the tax year showing the total amount of income that we have paid to you in the previous tax year.

Gibraltar strengths

Gibraltar has one of the best regulated and expanding financial centres in the world and is recognised by both Europe and the USA as operating a strong regulatory framework.

Gibraltar has been rated 'AAA' since December 1997 by financial accreditation organisation Moody's, and awarded 'Qualified Intermediary' (QI) status by the US Internal Revenue Service (IRS) - an endorsement reserved only for institutions from a select band of jurisdictions.

The International Monetary Fund (IMF) has also named Gibraltar as one of the top locations when it comes to being fully compliant with the required banking and insurance regulations and its regulatory and supervisory infrastructure matches all relevant UK standards.

As a separate jurisdiction from the UK, Gibraltar's Parliament is responsible for the transposition of EU law into local law. Having implemented all EU Directives relating to insurance business this means that London & Colonial Assurance PLC (LCA) must implement all EU Directives that currently relate to the supervision of insurance business and, in any instances where the UK's regulatory regime is stricter than the EU; LCA will match the UK regime.

What should I do now?

Please speak to your financial adviser who will be able to answer any questions and tell you how to proceed.

What parties are involved?

The *New Open Annuity* Insurer is:
London & Colonial Assurance PLC
3a/3b Eurolife Building
Corral Road
Gibraltar

Tel: +350 200 75812

The Insurer is licensed by the Gibraltar Financial Services Commission under the Financial Services (Insurance Companies) Act 1987.

Annuity payments are made in the UK by

London & Colonial Services Limited
38-42 Perrymount Road
Haywards Heath
West Sussex
RH16 3DN

Tel: 0203 640 6842

Fax: 0203 479 5506

How to contact us:

Customer Services
London & Colonial
38-42 Perrymount Road
Haywards Heath
West Sussex
RH16 3DN

Tel: 0203 479 5505

Email: annuityteam@londoncolonial.com

How to complain:

London & Colonial is committed to providing the highest levels of quality and service and observes industry best practice when dealing with all customer related issues. We hope that you will never have the need to complain, but if you do and your complaint concerns the administration of your Annuity, in the first instance please contact us at the address above.

In the unlikely event that we are unable to resolve any issues raised to your satisfaction you may be referred to the Pensions Ombudsman Service.

Their address is as follows:-

Pensions Ombudsman Service
11 Belgrave Road
London
SW1V 1RB

Tel: 020 7630 2200

You can also obtain help and guidance from The Pensions Advisory Service (TPAS), who can advise you on how to make a complaint.

In some instances they may even be able to resolve your complaint without any need to involve the Pensions Ombudsman.

Their address is as follows:

The Pensions Advisory Service (TPAS)
1 Belgrave Road
London
SW1V 1RB
Tel: 0845 601 2923

However if your complaint concerns the advice relating to the suitability of, or the performance of, the underlying investments you have chosen; or the conduct of the parties involved in promoting or managing the investments, you should initially address your concerns to the Financial Adviser who made the investment recommendation in accordance with their published complaints procedure. Alternatively contact the investment provider direct.

If you are not satisfied with the way in which either London & Colonial, or your Financial Adviser deal with your complaint, then you may contact The Pension Ombudsman Service as above.

UK Compensation Scheme:

If London & Colonial is unable to meet its financial obligations in full, our current understanding is that you may be entitled to help and compensation from the Financial Services Compensation Scheme (FSCS). This depends upon the type of business, and the circumstances of the claim.

The FSCS is the UK's compensation fund of last resort for customers of authorised financial services firms. It may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. This is usually because it has stopped trading or has been declared in default.

The FSCS covers business conducted by firms authorised by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). European firms (authorised by their home state regulator) that operate in the UK may also be covered.

The FSCS covers deposits, insurance policies, investments, home finance mediation and insurance mediation. There are limits on the protection available. For deposits the current level of protection is £75,000.

If the provider of a financial product held in your *New Open Annuity* is unable to meet their financial obligations and the product is covered by the FSCS, your *New Open Annuity* may be entitled to compensation.

Further information in respect of the UK compensation scheme can be obtained from the FSCS.

Their address is as follows:

Financial Services Compensation Scheme
10th Floor Beaufort House
15 St Botolph Street
London
EC3A 7QU

Tel: 0800 678 1100
Web: www.fscs.org.uk

Important Note:

Compensation available in the event of failure of investments:

Compensation arrangements can vary, depending upon the jurisdiction of the particular investment.

i.e. the application of the UK FSCS protection for 'protected contracts of insurance' is currently dependant upon where, and by whom, the contract was taken out.

It is recommended that you check with your professional adviser as to which compensation arrangements apply, as these may be determined in part by where you are habitually resident and within which jurisdiction the product is situated.

Law

The information contained within this document is based upon our interpretation and understanding of the current law within Gibraltar, which may be subject to change at any time. All documents relating to the *New Open Annuity* are supplied in English as will be all other communication associated with your scheme.

Terms & Conditions of the *New Open Annuity*:

This document is meant as a summary only. Full details of all of the terms & conditions associated with the *New Open Annuity* are contained within the Policy Document. Further information is available from your financial adviser or from London & Colonial, and our contact details are shown above.

Data protection:

All personal data is processed and stored in accordance with the Data Protection regulations currently in force.

London & Colonial Assurance PLC is registered as a Data Controller with the Gibraltar Regulatory Authority.

London & Colonial Services Limited is registered as a Data Controller with the Information Commissioners' Office.

Call recording:

Telephone calls to or from us are recorded for training purposes and to ensure that we have an accurate record of what you tell us.



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For more information about any of our products please scan the QR code below or contact:

t: 0203 640 6840

f: 0203 479 5506

w: www.londoncolonial.com

e: IFASupport@londoncolonial.com



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