

For Adviser Use Only

RL360 LifePlan

Draft paragraphs for a Suitability Report

We understand that before making a personal recommendation to your client, you will have carefully considered their personal and financial circumstances, financial needs, priorities and attitude to risk.

These sample paragraphs are designed to help you prepare your suitability report for your client. However, please note that it is your sole responsibility to ensure that the content of the suitability report meets any regulatory requirements and any recommendations made are appropriate for the client's individual circumstances.

Whilst every effort has been made to ensure the accuracy of the following information, RL360 accepts no responsibility for any actions taken or not taken as a result of acting upon it.

Full details of LifePlan are available through the Product Guide, Key Information Document (KID), Fund Guide and the Terms and Conditions, which are available on the RL360 website:

<http://www.rl360.com/row/downloads/products.htm>

What is LifePlan?

LifePlan is a unit linked regular payment whole of life insurance plan which offers life cover for up to 2 lives assured and is issued in the Isle of Man, by RL360 Insurance Company Limited (RL360).

Aims, commitments and risks of the RL360 LifePlan:

Aims

- LifePlan aims **to pay a cash amount on the death of a life assured** or upon the diagnosis of a terminal illness that will lead to death within 12 months.

Commitments

- You agree to make the required regular payments, as stated in your Personal Illustration.
- You will advise RL360 if you change job or move country.

Risks

- If the investment return is less than that expected by you and your financial adviser, you may have **to increase your regular payments** to maintain the chosen benefits.
- If you choose not to increase your payments and your plan value runs out your benefits **will cease**.
- The value of your plan is linked to your chosen investment funds, whose value may fall as well as rise and is **not** guaranteed.
- If you **stop** paying your regular payments early your cover **may cease**.
- Where you are investing in funds denominated in a currency different to that of your plan, the investment returns will be subject to **currency fluctuation risk**.
- Changes to the law may affect the tax treatment of your plan or the funds linked to it and **reduce the amount** you get back in the future.
- If you take a payment holiday and the plan value drops during that time, your benefits may be at risk.
- If you change your occupation or move country this could **affect** the level of payments you need to pay. Cover **may not** always be available for certain high risk countries or occupations.

General LifePlan details

Who is eligible to apply?

- Applications may be made by an individual, a company or by trustees, on the life of **upto** two individuals on either a Single Life, Joint life First Death or Joint Life Both Death Basis.
- The minimum age at entry is **18** years of age and the maximum is **74** years of age.

What benefits are available in LifePlan?

The core benefits are as follows:

Primary Life Cover

- Life Cover is the core benefit offered by LifePlan.
- Single Life Basis - Upon the death of the life assured, a cash sum will be paid out.
- Joint Life First Death Basis - Upon the first death, a cash sum will be paid out.
- Joint Life Both Death Basis – This enables different life cover amounts for each life assured and the plan will pay a cash sum upon the death of each life assured.
- Your financial adviser can help you decide the right amount of cover and RL360 can cater to a **maximum** life cover amount of **USD 7,500,000** (or currency equivalent).

Term life cover

- The plan owner(s) can add extra cover to their plan on a term basis to cover any short term needs.
- Any amount can be selected up to the **maximum** of **USD 7,455,000** (or currency equivalent).
- This benefit is available on a limited term basis **between 5 and 61 years**, although it cannot be extended beyond the life assured's **80th birthday**.

Accidental death benefit

- Accidental death benefit doubles the amount of life cover (both primary and term) that is in force up to a **maximum** of USD 500,000.
- It is paid should the life assured die in an accident, or up to 90 days after due to any injuries sustained.

Additional benefits

The following benefits may be automatically included on your plan at no extra cost.

Terminal illness benefit

- Should the life assured be diagnosed with any illness that will lead to death within 12 months the sum assured will be paid out in advance.

Passive war cover

- There is no exclusion for passive war risks. This means that if the life assured were the innocent victim of an act of war or terrorism then RL360 would consider the claim.

Repatriation benefit

- In the event of the death of the life assured in a country other than their home country, LifePlan will pay out an immediate advancement of USD 7,500 (or currency equivalent) of the sum assured to help with any associated costs.

Temporary accidental death benefit

- This benefit will provide **temporary cover** from when RL360 receive the completed application form and valid method of payment until you are in safe receipt of the plan schedule.
- If the life assured were to die in an accident before the plan documentation is issued, RL360 would pay out a lump sum of **up to USD 75,000** (or currency equivalent).

Regular payments

- You must pay regular payments at the payment frequency shown on your plan schedule for the period of the payment term.
- Each payment is payable at the chosen payment frequency on the same day of the month as your plan start date.

You may ask RL360 to change your payment frequency. If they agree, the change will only become effective from the next anniversary of your plan start date

What currencies can be selected for LifePlan?

LifePlan is available in the following currencies:

- Pounds Sterling (GBP)
- US Dollars (USD)
- Euros (EUR)

The currency of your LifePlan **cannot** be changed after issue. Your plan will be valued and charges will be deducted in this currency

What are the charges?

- The cost of setting up your LifePlan is paid for during the first two years. During this period, RL360 will not allocate any of your regular payments to purchase units in your plan.
- From years **3 to 10** inclusive, **94%** of your regular payments are allocated to your plan.
- From year **11 onwards**, **98%** of your regular payments will be used to purchase units in the funds you have selected.
- There is a monthly servicing charge which is currently USD 7.50 (or currency equivalent). The amount **will increase every year** on the **plan anniversary** in line with the Isle of Man Retail Price Index.
- If a **lump sum payment** is made, **93%** of the payment will be used to purchase units in the funds you have selected for your plan.
- The cost of the life cover and any other benefits chosen are deducted from the value of your plan, on a monthly basis in advance. The cost of providing benefits can be influenced by various lifestyle factors, any medical ratings and also the performance of the underlying investment funds.

- An administration charge which is currently **0.25% of fund value** is also payable each year on a quarterly basis in arrears. An individual benefit charge may also be assessed depending on the different benefit selections you may make.
- The fund(s) that are held within the plan are subject to an annual management charge. The charge is levied by the external fund manager and **will vary** according to the fund chosen. Further details can be obtained from your financial adviser or the **Fund Guide**.

Regular payment holiday

- You can take a break from regular payments for up to **24 months**, as long as you have made regular payments due to RL360 and the value of the plan is at least **twice** the total annual regular payment amount.
- Your plan will need to have sufficient value to fund the entire payment holiday that you are taking, **otherwise the benefits may be at risk**.
- The charges for coverage will continue and regular payments will need to be restarted after the payment holiday ends.

Where are the regular payments invested?

- After allowing for charges, your money is invested in the funds of your choosing, from a range of UK authorised and international collective investment schemes.
- A full list of available funds can be found in the **Fund Guide**.
- You can currently switch between funds free of charge and redirect future payments into new funds whenever you want.
- Under LifePlan you may hold **up to 5 individual investment funds at any one time**.

Cooling off period

If you change your mind and do not want to continue your plan after it starts, there is a cooling off period within which you can cancel.

- **You will have 30 days from when you receive your Welcome Pack to do this.**

If you decide to cancel, you will get your initial payment back **except where it has fallen in value**, in which case the amount you receive back will be less.

Typically, RL360 will return your money within 2 weeks, however this may take longer where the sale of funds is delayed for any reason.

You can also cancel any time before your plan is issued simply by telling RL360.

Withdrawals

- You can withdraw money **subject to your plan value being more than USD 15,000** (or currency equivalent) **after the withdrawal**. The **minimum withdrawal** is **USD 1,500** (or currency equivalent).
- Whilst this plan offers the flexibility to take withdrawals, **its primary purpose** is to **provide protection benefits** and **taking withdrawals could mean you have to reduce your levels of cover**.

What might you get back?

What you will get back depends on the amount of payments you make throughout the payment term, the performance of your chosen funds over the lifetime of the plan, RL360's charges and any withdrawals you take.

What happens upon the death of the life assured?

Benefits for any cover will be paid following the receipt of satisfactory evidence of a claim.

LifePlan taxation

RL360 is subject to Isle of Man tax laws. Therefore any growth or income earned within your plan is not taxable in the Isle of Man.

You may have a personal liability to tax depending on the tax laws in your country of residence and your own personal circumstances. Tax implications should be discussed with your specialist tax adviser, **RL360 is not licenced to provide financial or taxation advice**.

Why RL360?

- RL360's ambition is to support a happy and financially stable future for their customers.
- Based on the Isle of Man, RL360 has regional offices in the Far East, Middle East, Latin America and Africa. They are part of International Financial Group Limited, which serves over 70,000 customers in 170 different countries.
- With the business part-owned by the senior management team, they enjoy committed leadership and a long-term vision to be the best provider of offshore savings, protection and investment for their customers – a vision already coming to fruition as they have seen their market share treble over the last five years. RL360 now administer assets of over **USD 11 billion** for their clients (as at 31 December 2017).
- UK based independent actuaries, AKG, awarded RL360 a B+ rating in 2017, the joint highest rating of any international life business. Their financial strength assessment of RL360 was '**A financially strong stand-alone operation with very strong operational characteristics**'.
- RL360 also won '**Best Life International Life Group (Non-UK)**' at the 2017 & 2018 International Fund & Product Awards.

Why the Isle of Man?

- Customers can take great reassurance from RL360's Isle of Man location. The island is a well-established global financial centre with an outstanding reputation for investor protection.
- As a self-governing dependent territory of the British Crown, the Isle of Man has a stable and supportive government, robust economy and simple tax regime, with no capital gains, withholding or wealth tax. Situated equally between England, Ireland, Scotland and Wales, the island enjoys an **Aa2** sovereign rating from **Moody's**.
- In November 2017, the OECD gave the Isle of Man the highest compliance rating for its international exchange of tax information, a level only achieved by 21 jurisdictions globally.
- The Isle of Man also won the prestigious **International Finance Centre award** at the 2017 & 2018 International Adviser Product and Service Awards

Plan owner protection

What happens if RL360 becomes insolvent?

The Isle of Man Insurance Act 2008, Section 32, Schedule 3 Paragraph 7(a) states 'the assets in the company's long term business fund shall be available only for meeting the liabilities of the company attributable to its long term business'.

Therefore, if RL360 became insolvent, the monies held within the long term business fund (i.e. its liabilities to plan owners) **cannot** be accessed by its creditors.

RL360 plan owners will also be protected by the **Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991**. This means that in the unlikely event that RL360 is unable to meet its obligations, plan owners will be protected by this scheme, irrespective of where they are resident.

The scheme meets up to **90%** of RL360's liabilities to its plan owners.

For further information on the Scheme, the Isle of Man Financial Service Authority's 'Questions and Answers' document can be downloaded from:

<http://www.iomfsa.im/regulatedentities/insurance/InsuranceProtection.xml>

What happens if a fund linked to your plan becomes insolvent?

The individual funds the plan is linked to are **not** covered by the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991, as this legislation only applies to an authorised Isle of Man life assurance company which has itself become insolvent.

The compensation offered for a fund linked to your plan depends upon what jurisdiction the fund is constituted in and whether it is authorised by a regulatory body. Therefore, where there is concern about the level of compensation offered, RL360 would recommend contacting the individual organisation whose investments are being considered.

Some compensation schemes have a maximum amount they will pay out to each owner of the fund in question (and some don't include corporate investors as being eligible for their scheme). Although several plan owners may have their plan linked to the fund, as the units within the fund belong to RL360 as a corporate investor, the compensation scheme would only treat RL360 as one investor.

Therefore, any compensation received by RL360 would have to be split between all relevant plan owners of RL360. This would be the case with any life assurance or other company in this situation.