



## KEY FEATURES

### of Pension Term Assurance

#### Customer Guide

Please read this document carefully. It highlights the main features and benefits of the Policy, which is underwritten by Royal London Insurance DAC (Royal London), and includes some sample illustrations.

This guide should be read in conjunction with the relevant Policy Conditions booklet which contains full details of the Benefits provided and the Terms and Conditions which apply. The Policy Conditions booklet is available on request. If there is anything that you do not understand, or if you would like more information, please ask your Financial Broker.

### SECTION 1:

#### Information about the policy

##### 1.1 Make sure the policy meets your needs!

- This policy is a life assurance protection policy. You choose the level of cover you need and the length of time you need it. Pension Term Assurance is only available if you meet certain criteria. You don't need to have a pension plan to benefit from this type of policy; it is available if you are self-employed or in non-pensionable employment.

The policy is structured to use the tax relief that is currently available under Pension legislation. If you are eligible to take out pension term assurance, you can claim tax relief on your premiums up to a certain percentage of your net relevant earnings in any one year. The maximum percentage of net relevant earnings depends on your age (see section 1.7).

If you no longer meet the criteria for pension term assurance, you could become ineligible to claim tax relief from Revenue on your premiums paid. However your policy will not stop if you continue to pay the premiums.

No surrender value will be payable.

- The purpose of the Life Cover is to provide a lump sum if the Life Assured dies during the selected term of the policy.

- If a conversion option is included as part of your policy it may be exercised at any time up to the conversion option expiry date (which is contained in the Policy Schedule). The benefit of the conversion option is that, subject to certain terms and conditions, the Life Assured can convert the amount of their existing Life Cover into another policy providing Life Cover only without having to provide details of their health. The new policy must be for a fixed term which cannot be greater than 51 years and which expires before the 91<sup>st</sup> birthday of the Life Assured. Royal London's standard new business terms and conditions at the date of conversion (including maximum age of cessation) will apply. The premium rates current at the time of conversion, appropriate to the Life Assured's age at the time, will apply. Full details of the Conversion Option are contained in the Policy Conditions booklet.
- If indexation is included as part of your policy, the cover will increase by 3% every year and your total payment will increase by 4% every year. The indexation will occur on each policy anniversary before your 70<sup>th</sup> birthday. Full details of Indexation are contained in the Policy Conditions booklet.
- You are committed to make regular monthly or annual payments throughout the term of the policy. However, please see Sections 4.1 – Right of Cancellation and 4.2 – Stopping the Policy.

- Unless you are fully satisfied as to the nature of the commitment, having regard to your needs, resources and circumstances, you should not enter into that commitment.
- This policy cannot be assigned.

**WARNING**

**If you propose to take out this policy in complete or partial replacement of an existing policy, please take special care to satisfy yourself that this policy meets your needs.**

**In particular, please make sure that you are aware of the financial consequences of replacing your existing policy. If you are in doubt about this please contact your insurer or insurance intermediary.**

**1.2 What happens if you want to cash in the Policy early or stop paying premiums?**

- As your policy is designed solely to provide protection benefits, there is **no surrender value payable** at any stage under the policy.
- The policy will lapse and all cover under the policy will end immediately if any payment is not received by Royal London within 30 days from the date it was due to be paid. No surrender value will be paid on the lapse of the policy. If a benefit becomes payable within this 30 day period any outstanding payments will be deducted from the amount paid.
- Where the policy lapses because we have not received a payment, it may be reinstated at the absolute discretion of Royal London, within 12 calendar months from the date the policy lapses, by paying all outstanding payments along with a charge determined by Royal London. The Life Assured must also complete a Declaration of Health form. If the information on the Declaration of Health form shows any material change to the information provided to Royal London (or to the medical examiner for Royal London) when cover was originally taken out, we may refuse to reinstate cover or reinstate the cover with an increased premium or with new conditions or exclusions (this could include the removal of options).
- Monthly premiums must be paid by Direct Debit.

**1.3 What are the projected benefits under the policy?**

The illustration table below is based on the following details for a typical Personal Pension Term Assurance policy:

Basis of Cover	Single Life
Sex	Male
Age (next birthday)	41
Smoker Status	Non-Smoker
Sum Assured	€200,000
Total Monthly Payment (incl. Policy Fee)	€25.45
Payment Frequency	Monthly
Retirement Age (Policy Expiry)	65 <sup>th</sup> Birthday

Royal London will provide you with illustrations based on your own exact details when your policy is issued.

**Table 1: Illustrative table of projected benefit and charges to date**

Year	A	B	C	D	E=A+B-C-D
	Total amount of premiums paid into the policy to date	Projected investment growth to date	Projected expenses and charges to date	Projected cost of protection benefits to date	Projected policy value
1	€305.40	€0.00	€222.08	€83.32	€0.00
2	€610.80	€0.00	€415.28	€195.52	€0.00
3	€916.20	€0.00	€598.90	€317.30	€0.00
4	€1,221.60	€0.00	€770.98	€450.62	€0.00
5	€1,527.00	€0.00	€930.08	€596.92	€0.00
10	€3,054.00	€0.00	€1,365.59	€1,688.41	€0.00
15	€4,581.00	€0.00	€1,371.22	€3,209.78	€0.00
20	€6,108.00	€0.00	€1,371.22	€4,736.78	€0.00
Final Year	€7,329.60	€0.00	€1,371.22	€5,958.38	€0.00

**This policy does not acquire a surrender or maturity value.**

#### 1.4 What intermediary/sales remuneration is payable?

The following table is based on the same policy details as for Table 1 above.

**Table 2: Illustrative table intermediary/sales remuneration**

Year	Premium payable in that year	Projected total brokerage fee payable in that year
1	€305.40	€382.76
2	€305.40	€61.08
3	€305.40	€61.08
4	€305.40	€61.08
5	€305.40	€61.08
10	€305.40	€9.17
15	€305.40	€9.17
20	€305.40	€9.17
Final Year	€305.40	€9.17

**The brokerage fees shown above are maximum amounts based on the premium indicated and are for illustration purposes only. The actual amounts payable may differ from year to year and depend on a number of factors. The actual brokerage fees payable on your policy will be fully outlined in the policy documentation that you will receive when your proposal proceeds.**

### 1.5 Are returns guaranteed and can the premium be reviewed?

The premiums you pay at the start of the policy are guaranteed to provide the level of cover you select and will not be reviewed at any stage by Royal London (if Indexation is included as part of your policy your total payment will increase on each policy anniversary by 4%). The total payment may change if any additional tax, stamp duty or levy is imposed on your policy in the future.

### 1.6 Can the Policy be cancelled or amended by the insurer?

Your policy is issued on the basis of any statements made to a medical examiner or others working on behalf of Royal London, the completed application form and any other documents submitted. Failure to provide full and accurate information to Royal London (or to the medical examiner for Royal London) or failure to continue to disclose all material facts to Royal London until the date that cover commences under the policy may result in the policy being cancelled from inception or any subsequent claim not being paid. A material fact is any fact about your health, smoking or drinking habits, occupation, pastimes, policies with other insurance companies or any other fact that may influence the assessment and acceptance of your application by Royal London. If you are in any doubt about whether certain facts are material, these facts should be disclosed.

If the date of birth of a Life Assured differs from that shown on the policy schedule, the amount payable in the event of a claim may be reduced or the claim may be rejected and the policy cancelled from inception.

### 1.7 Information on taxation issues

**Benefit:** Under current law, the benefit payable on death will not be liable to Income Tax or Capital Gains Tax.

**Premium:** This plan has been approved by the revenue Commissioners as a section 785 pension term assurance plan. Under current legislation, you can claim tax relief on any premiums paid into either a personal pension policy or a section 785 pension term assurance policy as an expense in the year of payment, subject to the maximum percentage of “Net Relevant Earnings” listed below. Royal London will issue you with a Retirement Annuity Certificate, which you should include with your tax returns in order to obtain this relief.

Age	Maximum % of Net Relevant Earnings
Under 30	15
30–39	20
40–49	25
50–54	30
55–59	35
60 and over	40

Note that a monetary maximum applies to the Net Relevant Earnings allowable for tax relief purposes. Budget 2011 set this limit to €115,000, however this limit could change in future.

These limits apply to the total amount of your pension and/or PRSA contributions, not to each individual policy.

There are a number of exceptions to the limits above.

For example, certain occupations (such as professional sports people) are entitled to contribute 30% of net relevant earnings at all ages.

## SECTION 2:

### Information on service fee

There is no service fee payable to Royal London.

Where such a fee has been, or is to be, levied by the Financial Broker, then he/she should enter the amount and full details below:

Financial Broker Service Fee: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Details of the Arrangement: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## SECTION 3:

### Information About The Insurer/ Insurance Intermediary

This policy is underwritten by Royal London Insurance DAC. Royal London Insurance DAC does not provide advice about its products which are distributed through independent intermediaries who at all times act on your behalf.

Royal London Insurance DAC is regulated by the Central Bank of Ireland. It is registered in Ireland, number 630146, at 47–49 St Stephen's Green, Dublin 2.

Royal London Insurance DAC is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited which is registered in England, number 99064, at 55 Gracechurch Street, London, EC3V ORL.


Your Financial Broker should advise you of information relevant to them, including their authorised status. Please see the box across for contact details.

You can find out more about the policy by talking to your Financial Broker. Alternatively, you can contact:

#### **Royal London**

47–49 St Stephen's Green  
Dublin 2  
Ireland

 +353 (0)1 429 3333

 +353 (0)1 662 5095

 [service@royallondon.ie](mailto:service@royallondon.ie)

<b>Financial Broker Name:</b>	
<b>Financial Broker Address:</b>	
<b>Telephone Number:</b>	
<b>Email Address:</b>	

## SECTION 4:

### Additional information relating to your policy

#### 4.1 Right of Cancellation

You can cancel the policy by sending a written instruction to Royal London within a period of 30 days from the date of posting the 'Cooling-Off' Notice to you. The address to write to is Existing Business, Royal London, 47–49 St Stephen's Green, Dublin 2. On cancellation all cover will cease immediately, and any payments received by Royal London will be refunded in full to you. If you do not cancel your contract within the 30 day 'Cooling-Off' period we will maintain the terms and conditions of the contract whilst it remains in force.

#### 4.2 Stopping the Policy

You can stop the policy at any time by writing to Royal London instructing us to stop the policy or by stopping payments, but all cover would then cease in such circumstances. The address to write to is Existing Business, Royal London, 47–49 St Stephen's Green, Dublin 2.

#### 4.3 Law that applies to the policy

This policy shall be governed by and interpreted in accordance with the Laws of the Republic of Ireland.


The language used for contractual terms and conditions and for communication whilst the contract remains in force is English.

#### 4.4 Complaints

Royal London is committed to the provision of the highest standards of customer satisfaction and takes all complaints very seriously.

If you have any queries about the benefits provided by this type of policy please contact your Financial Broker or contact Royal London directly. If at any time you have a complaint about the policy you should refer it to us, through your Financial Broker or by contacting the Compliance Manager at Royal London, 47–49 St Stephen's Green, Dublin 2. If your complaint is not dealt with to your satisfaction, you can refer it to the **Financial Services and Pensions Ombudsman** without prejudice to the right to take legal proceedings, using the following address and contact details:

Financial Services and Pensions Ombudsman  
Lincoln House  
Lincoln Place  
Dublin 2

 +353 (0)1 567 7000

 info@fspo.ie

 www.fspo.ie

#### 4.5 Additional information for Non Face to Face Customers under the Distance Marketing of Financial Services Directive

There is no additional charge made by Royal London, where your insurance contract is completed only by means of distance communication. Your Financial Broker will advise you if they apply a charge in similar circumstances.

#### 4.6 Contact us

You can contact us in the following ways:

**Royal London**  
47–49 St Stephen's Green  
Dublin 2  
Ireland

 +353 (0)1 429 3333

 +353 (0)1 662 5095

 service@royallondon.ie

**All information is valid at the time of going to print.**

#### **WARNING**

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47-49 St Stephen's Green, Dublin 2

T: 01 429 3333 F: 01 662 5095 E: [service@royallondon.ie](mailto:service@royallondon.ie)  
[royallondon.ie](http://royallondon.ie)

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