

SUBSTITUTION GUIDE AND REQUEST

INTERNATIONAL MORTGAGE PLAN

WHAT IS THE PURPOSE OF THIS GUIDELINE?

You are considering the benefits of substituting a “substantially similar” UK qualifying policy for your existing offshore policy. You will undoubtedly have a number of questions which require answering before you proceed further. In this brief guideline we attempt to answer the questions most likely to arise.

However, this document is only designed to be used as a guide on how to substitute your policy, and does not seek to provide advice on whether substitution would be appropriate in every instance. We would recommend that you contact your financial adviser before taking any further action.

WHAT IS A “SUBSTANTIALLY SIMILAR” POLICY?

This is a policy issued by Royal Life (Unit-Linked Assurances) Limited, which is a UK authorised life assurance company, in substitution for your original Royal & SunAlliance International Financial Services policy.

The policy which will be issued in place of your existing contract will retain the characteristics of your original policy in relation to the gross premium, premium due dates, maturity date, sum assured and life assured (and, if applicable, Premium Protection Cover). We will be pleased to confirm the exact position on request.

If you have more than one policy in your Plan, each policy will be substituted on an individual basis.

The administration of your substituted policy will be undertaken by Friends Provident International Limited on behalf of Royal Life (Unit-Linked Assurances) Limited.

WHAT CHOICE OF INVESTMENT FUNDS IS AVAILABLE UNDER MY NEW POLICY?

The 8 funds available to your new policy are listed in the enclosed Friends Provident International Limited Fund Prices brochure, under the heading Royal Life (Unit-Linked Assurances) Funds. These funds are subject to withholding tax.

Each individual policy will be linked to the funds chosen in the same way as your offshore policy, and the facility to switch between any of these funds will enable you to maintain a flexible and diverse investment portfolio.

In order to follow the performance of your substituted policy you obtain the prices of Royal Life (Unit-Linked Assurances) investment funds using the telephone service Fund Price line. The number is 0800 731 2031.

WHEN CAN I SUBSTITUTE?

Substitution must take place within 12 months of your return to the UK.

HOW LONG MUST MY OFFSHORE POLICIES HAVE BEEN IN FORCE BEFORE THEY MAY BE SUBSTITUTED?

Policies can be substituted only after they have been in force for 24 months.

I HAVE A US DOLLAR DENOMINATED POLICY - CAN I STILL SUBSTITUTE?

Yes. Policies issued by Royal Life (Unit-Linked Assurances) Limited must, however, be denominated in sterling. Your US dollar denominated offshore policy will be converted to sterling using the appropriate exchange rate at the date of substitution. Premiums will thereafter be payable in sterling to Royal Life (Unit-Linked Assurances) Limited at the level fixed by the application of the exchange rate at the time of substitution.

IF MY POLICY IS A FEW PREMIUMS IN ARREARS, CAN I STILL SUBSTITUTE?

Provided your policy has not been converted to a “paid-up” status, it may still be substituted. We will, however, require all premiums outstanding to be paid to us before the substitution takes place. All future premiums will be payable to Royal Life (Unit-Linked Assurances) Limited.



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ON WHAT DATE WILL THE SUBSTITUTION TAKE EFFECT?

Substitution will be effected following receipt at this office of the documentation detailed below. The units allocated to your old policy will be sold at the bid price and the proceeds will be invested into the new fund you have selected at the bid price for that fund. This means that the value of your new policy will equal the value of the old policy at the time of substitution.

WHAT DOCUMENTATION DO YOU REQUIRE FROM ME?

Provided all your premiums have been paid up to the substitution date, the only documentation required is:—

- the completed Substitution Request , which includes investment instructions;
- the completed Standing Order;
- all relevant policy documents.

This documentation should be returned to our office here in the Isle of Man.

BY WHAT METHOD CAN I PAY MY PREMIUMS?

Premiums due under the new policy will be payable to Royal Life (Unit-Linked Assurances) Limited, and must be paid by standing order.

WHAT HAPPENS WHEN I COMPLETE AND RETURN MY SUBSTITUTION REQUEST FORM?

We will write to acknowledge receipt of your substitution request form together with any other enclosures. In due course you will receive an acceptance letter, and your new policy documents will be forwarded to you as soon as possible thereafter.

WHAT FURTHER ACTION DO I HAVE TO TAKE AFTER MY NEW POLICY HAS BEEN ISSUED?

If you were paying the premium on your old policy by standing order, you should contact your bank and arrange for it to be cancelled (or reduced if not all your policies are being substituted). We will inform you of the date that the final premium is due to your offshore policy before it is substituted, when we will acknowledge receipt of your substitution request form.

NEW POLICY TERMS

Your new Mortgage policy will retain exactly the same charges as before except for the following:—

- The difference between the Buying and Selling Price on the Royal Life (Unit-Linked Assurances) Funds is 5%, whereas with the original policy it is 7%.
- The Investible Premium on the substituted policy has been reduced by 1%, i.e. if £100 was paid as premium then only £99 would be invested.

FURTHER DETAILS

Full written details of the new policy are available from us on request.

CONCLUSION

We trust you find this guideline to be of assistance, but if you require any further information please do not hesitate to contact us.

This leaflet should be read in conjunction with the current International Mortgage Plan brochure which, together with the policy document, sets out the terms and conditions of the contract. It is important to remember that the value of your investment can fluctuate and can go down as well as up.

The information given in this leaflet is based on the understanding of Friends Provident International Limited of current law and Isle of Man taxation practice, which may change in the future. No liability can be accepted for any personal tax consequences of this scheme and for the effect of future tax or legislative changes.

Friends Provident International Limited is authorised under the terms of the Financial Services Act 1986 to carry on investment business in the UK. The Company is a life assurance company, registered in the Isle of Man, whose policyholders receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991. Holders of policies issued by the Company will not, therefore, be protected by the United Kingdom Policyholders Protection Act 1975 if the Company should become unable to meet its liabilities. Hong Kong resident policyholders will be protected by the non-exclusive jurisdiction of the Hong Kong courts.

SUBSTITUTION REQUEST

Please use BLOCK CAPITALS

* Delete as applicable

To: Royal & Sun Alliance Life & Pensions, PO Box 30, New Hall Place, LIVERPOOL L69 3HS

Dear Sirs,

Name of Life Office: Friends Provident International Limited

Full Name(s) of Policyholder(s)

International Mortgage Plan Number(s)

1. I/We* hereby request and authorise you to substitute the above Plan with a substantially equivalent mortgage plan, issued by Royal Life (Unit Linked Assurances) Limited, for the above numbered Plan(s) in accordance with Schedule 15 of the Income and Corporation Taxes Act 1988.

2. I/We* enclose the policy documents (together with the relevant deeds of title as appropriate).

3. I/We* have returned/intend to return* to the UK on

4. I/We* confirm and agree that the proposal dated
shall form the basis of the new contract (original contract start date).

Yours faithfully

Signature(s) of Policyholder(s)

Date

UK Address for correspondence

INVESTMENT DETAILS

Please indicate the funds in which you wish your Plan to invest, showing the percentage of each investible premium you wish to be invested in each fund.

Royal Life (Unit-Linked Assurance) Limited Fund Required	% of Premium
Managed Fund	
Equity Fund	
Property Fund	
Gilt Fund	
Money Fund	
United States Fund	
Pacific Basin Fund	
International Fund	
	Total 100%

