

A heritage of protection and security...

...safeguard your investments with FRIENDS in the Isle of Man

Location

The Isle of Man is situated in the middle of the Irish Sea, in between England and Ireland. The Island is renowned for offering a series of benefits and over the years it has developed as one of the largest and most respected international financial centres.

Policy Protection

To ensure optimum protection of policyholders, the regulators have put in place a number of statutory measures including a three tier protection structure. These can be categorised as follows:

Segregation of Assets

FPIL is required to maintain and account for the assets attributable to the policyholders' funds (also known as long-term business fund, LTBF). Under the Insurance Act 2008, companies in the Isle of Man are required to ring-fence **100%** of policyholders' assets. This ensures that the policyholders' assets can only be used to meet the claims and long-term liabilities of policyholders and cannot be called upon in any other circumstance. This rule ensures that our liabilities to policyholders take priority should FPIL be wound up.

The Act also dictates that we have a legal obligation to submit independently audited annual solvency reports to our regulator.

More than 98% of FPIL's products are 'linked', which means that the liabilities fluctuate in line with market performance. Non-linked liabilities (such as pure life cover) are covered by statutory reserving and valuation rules and the use of reinsurance.

Solvency and Reporting

Friends Provident International Limited (FPIL) is required to hold a minimum solvency margin of 0.25% of the value of liabilities for 'linked' business (i.e. portfolio bond or regular savings plan) and 1% value of 'non-linked' business (i.e. term assurance). FPIL is currently (at 20.09.10) 3 times above the required solvency margin.

Compensation Scheme

Should there be a shortfall in the assets backing our liabilities, policyholders will be protected by The Life Assurance (Compensation of Policyholders) Regulations 1991, the third and final tier of protection. This provides up to 90% protection to policyholders should the company become unable to meet our liabilities to our policyholders. This scheme is a final tier in the regime for protecting policyholders, and the quality of regulation above this layer ensures optimum protection.

The Isle of Man is the only international financial centre to offer a final level of protection of this nature.

Note: Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposits accounts are unlikely to apply in the event of failure of such an investment held within investment-linked assurance policies.

Please note that notwithstanding such Isle of Man regulation, there is no guarantee that you may get back up to 90% of the premium paid or the prevailing value of your policy. The final value you receive (if any) may be substantially less than the total premiums paid or the prevailing of your policy.

The Isle of Man has an enviable reputation for both political and economic stability, which have built a foundation for confident investment.

Political Stability

The Isle of Man is a self-governing dependent territory of the British Crown. Tynwald (the Manx Parliament) is the oldest unbroken Parliament in the world. Over 1,000 years of continuous government demonstrates the Island's political stability.

Economic Stability

The Island has the highest Sovereign Credit Rating "AAA" from Standard and Poor's, and "Aaa" from Moody's.

The Island is cultivating a diverse economy. As well as the Financial Services sector, which accounts for about a third of its Gross Domestic Product, there are also related professional services, a growing technology sector, and a flourishing film industry.

In a statement by the Organisation for Economic Cooperation and Development (OECD) the Isle of Man was put forward as "a model for small jurisdictions to follow."

Life Assurance

In the 1970s, the Isle of Man welcomed its first offshore life assurance companies. One of these was Lloyd's Life (Isle of Man), which later became Royal Life International, which became Royal and Sun Alliance International Financial Services, and then in 2002 became Friends Provident International Limited.

The Insurance and Pensions Authority is the regulator of the insurance sector.

With its wealth of experience, its excellent communications and its central location within the British Isles, it is not surprising that a number of the world's leading financial companies are based in the Isle of Man.

Invest with confidence in the Isle of Man.

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Friends Provident International Limited

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Incorporated company limited by shares
Registered in the Isle of Man No. 11494

Authorised by the Isle of Man Insurance & Pensions Authority
Provider of life assurance and investment products

Authorised by the Office of the Commissioner of Insurance to conduct long-term insurance business in Hong Kong

Registered in the United Arab Emirates as an insurance company (Registration No.76)
and as a foreign company (Registration No. 2013)

Authorised by the United Arab Emirates Insurance Authority to conduct life insurance and savings business

Registered in Singapore No. F06835G

Authorised by the Monetary Authority of Singapore to conduct life insurance business in Singapore

