

SUBSTITUTION GUIDE AND REQUEST

SAVINGS

INTERNATIONAL SAVINGS PLAN INTERNATIONAL TEN PLUS PLAN PERSONALISED SAVINGS PROGRAMME

What is the purpose of this guide?

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 you require answering before you proceed further. In this brief guide 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 & Sun Alliance Life & Pensions, which is authorised in the UK, and part of the Royal & SunAlliance Group 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. 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.

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 12 months.

What choice of investment funds is available under my new policy?

The funds available to your new policy are listed in the Royal & Sun Alliance Life & Pensions Fund Leaflet. 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 will find the prices of Royal & Sun Alliance Life & Pensions investment funds in the Financial Times under F.T. Managed Funds Service, sub-section Insurances.

I have a us dollar denominated policy - can I still substitute?

Yes. Policies issued by Royal & Sun Alliance Life & Pensions must, however, be denominated into 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 & Sun Alliance Life & Pensions 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 & Sun Alliance Life & Pensions.



FRIENDS PROVIDENT
INTERNATIONAL

What happens if my premiums are paid from an International or Guaranteed Funding Plan?

You must decide whether you wish to transfer your Funding Plan to an onshore equivalent, or leave this particular policy offshore. You should discuss which option is most appropriate with your own Financial Adviser. Considerations your Financial Adviser will take into account in this decision include:

1. The tax which will be incurred if the Funding Plan is retained offshore.
2. The reduction in yield achieved by the Funding Plan if moved onshore due to UK taxation on the underlying funds. This may cause a shortfall in the income available to meet premiums up to the 10th anniversary.
3. A number of other taxation and investment considerations.

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 Royal & Sun Alliance Life & Pensions 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 Direct Debit;
- 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 should be paid by Direct Debit to Royal & Sun Alliance Life & Pensions.

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 consult 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 policy will retain exactly the same charges as before except for the following:-

- The difference between the Bid and Offer Price on the Royal & Sun Alliance Life & Pensions 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 information should be read in conjunction with the product brochures, together with the policy documents, which sets out the terms and conditions of the contract. It is important to remember that the value of your investment can fluctuate down as well as up.

The information given is based on the understanding of Friends Provident International Limited of current law and the 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

*Tick/Delete as applicable

To: Friends Provident International Limited, Royal Court, Castletown, ISLE OF MAN IM9 1RA
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)

Regular Premium Plan Number(s)

International Funding Plan Number(s)

1. I/We* authorise Friends Provident International Limited to surrender the above numbered plan(s) and transfer the proceeds to Royal & Sun Alliance Life & Pensions.
2. I/We* enclose the policy documents (together with the relevant deeds of title as appropriate).
3. I/We* hereby request and authorise Royal & Sun Alliance Life & Pensions to issue a substantially equivalent regular premium plan, in accordance with schedule 15 of the Income and Corporation Taxes Act 1988, in substitution for the above numbered plan(s).
4. (a)* I/We hereby request and authorise Royal & Sun Alliance Life & Pensions to issue a Unit Linked Funding Plan, in substitution for the original Unit Linked Funding Plan issued by Friends Provident International Limited.
(b)* I/We hereby request and authorise Royal & Sun Alliance Life & Pensions to issue a Guaranteed Growth Bond (or a series of Guaranteed Growth Bonds) in substitution for the original Guaranteed Funding Plan.
5. I/We* have returned/intend to return* to the UK on
6. I/We* confirm and agree that the commencement date of the policy(ies) above shall be used for the start date of the new contract (original contract 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. Please remember that it is only possible to link one policy to one fund.

Royal & Sun Alliance Life & Pensions Fund required	Policy Number
	1
	2
	3
	4
	5
	6
	7
	8
	9
	10



FRIENDS PROVIDENT
INTERNATIONAL

Friends Provident International Limited
Registered & Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA
Telephone: +44 1624 821212 Facsimile: +44 1624 824405
Incorporated company limited by shares. Registered in the Isle of Man No. 11494
Regulated by the Financial Services Authority for UK business. Provider of life assurance and investment products.