

Gift Inter Vivo Policy

Helping you decide

The Financial Services Authority is the independent financial services regulator. It requires us to give you this important information to help you to decide whether a gift inter vivo policy is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

What is the purpose of this document?

This document is designed to give you a summary of information to help you decide if this product is suitable for you. You should seek financial advice and discuss your plans with anyone who may be affected by your financial decisions. Before you make a purchase, you should read this and all other related documents and clarify any questions that you may have.

Suitability

This product is suitable if you have made gifts, above a certain value, and want to ensure that the recipients do not have the worry of paying Inheritance Tax if you die within seven years of making them. **If you are in any doubt about the suitability of this policy to meet your needs you should seek financial advice.**

Its aims

To cover any Inheritance Tax liability on a gift you make.

Your commitment

- To pay a single premium at the start of the policy
- To get appropriate financial advice
- To give complete and accurate information on your application
- To tell the insurers about any changes in your personal circumstances that occur between signing the proposal form and the start of your policy

Risks

- Once set up, you will not be able to change the terms of your policy
- The policy has no cash value at any time and cannot be surrendered
- Money will not be returned from the policy on expiry even if no claim was made
- The insurers have the right to refuse a claim if you fail to disclose a material fact
- The rules governing taxation are subject to government review and can change - this could affect your Inheritance Tax liability and therefore the level of cover afforded by your policy
- If you fail to disclose a material fact the insurers as the right to refuse payment
- If you want the lump sum to be paid outside of your estate it must be written into trust

Questions and answers

How does the Gift Inter Vivo Policy work?

When a gift is made between two people it would be considered part of the donor's estate if they died within seven years of the gift being made. This would make the amount gifted liable for IHT.

The Gift Inter Vivos is a seven year decreasing term assurance policy for which you pay a single premium (**details of which are contained within your illustration or quotation**) at the outset. The sum assured decreases to mirror the Government's IHT regulations and offsets the IHT liability on any gifts you have made, paying out a guaranteed, tax-free lump sum if you die during the policy term.

The policy cannot be written on a joint life basis.

The IHT bands that the policy is structured to pay out at are as follows:

<u>Years between gift and death</u>	<u>Charge applied</u>
1-3	100
4	80
5	60
6	40
7	20

A gift is the transfer of an asset such as property or money etc from one person to another where no payment of any kind is given by the receiving person to the donor.

Your estate is the total value of your possessions in whatever form they take.

What are the tax implications?

Tax is a complex issue and varies from person to person so you should discuss your own tax position with your Financial Adviser.

Whilst the policy has been designed to offset the IHT liability on any gifts you have made, the rules on inheritance tax may change in the future.

You should talk to your Financial Adviser about your inheritance tax planning.

How is the premium calculated?

Your premium is based on a number of factors:

- The amount of cover you choose
- Your age
- Your gender
- Your occupation
- Your pastimes
- Whether you smoke
- Your medical history
- Insurers' charges

What are the charges?

All charges are factored into your policy at the start and there will not be any additional charges.

What is a Trust?

Trusts offer a means of holding and managing money or property for people who may not be ready or able to manage it for themselves. Used in conjunction with a will, they can also help ensure that your assets are passed on in accordance with your wishes after you die.

What happens when I die?

Your estate must contact the insurers immediately, either by telephone or in writing to let them know.

What happens if I want to cancel my plan?

A cancellation notice will be enclosed with your policy documents providing full details about the cancellation procedure which outlines the right to change your mind within 30 days.

If you do decide to cancel within this 30 day period, we will refund your money in full.

If the insurers do not receive your cancellation notice within the 30 day notice period they will automatically continue your policy.

How do I apply?

Please complete the form on this site.

The insurers may subsequently contact your doctor for a General Practitioner's Report to verify the information provided on your application. They will not always apply for this however, so it is essential that you provide comprehensive details about your health so that they can fully understand your condition and provide you with an accurate quotation.

There are some instances where you may be required to undergo a medical examination if, for example, our Chief Medical Officer requires further information on a particular aspect of your application.

If at any time there is found to be any misrepresentation or non-disclosure of your health conditions, the insurers reserve the right to cancel or amend the terms of the policy and invalidate any future claim.

If you wish to include Terminal Illness Cover you must select it at the outset and indicate this on your proposal form. No additional underwriting is necessary for this type of cover.

Financial Advice

We do not provide advice so you should consult your own Financial Adviser.

Other important information

Law

The law and courts of England and Wales will apply in legal disputes and your contract will be written in English. We'll always write and speak to you in English.

Compensation

Your Financial Adviser has a duty to recommend only products that are suitable for your needs and financial situation. You have a legal right to compensation if it is proved that at any time their recommendations were unsuitable when they were given and under the circumstances which they were made.

You may be entitled to compensation if the insurers cannot meet their obligations due to

insolvency.

The Financial Services Compensation Scheme may arrange to transfer your policy to another insurer, provide a new policy or, if this is not possible, provide compensation. Compensation depends on your policy and the circumstances of the claim. For example, most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim.

Further information about compensation arrangements is available from The Financial Services Compensation Scheme, who can be contacted at:

The Financial Services Compensation Scheme
7th Floor Lloyds Chambers
Portoken Street
London E1 8BN

Telephone: 020 7892 7300
Web: www.fscs.org.uk
Email: enquiries@fscs.org.uk