

# Key Features of the Flexible Life Plan



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If you would like a Braille, large print or audio version of this Key Features, please contact us at:

**Operations Department**  
**Prudential International Assurance plc**  
**Montague House**  
**Adelaide Road**  
**Dublin 2**  
**Ireland**

## › About this booklet

- › This Key Features booklet provides a summary of the key features of the Flexible Life Plan. Prudential International provides you with this information to help you to decide whether our Flexible Life Plan is right for you.
- › You should read this booklet carefully, together with your personal illustration and the relevant investment guide(s), so that you understand what you are buying and then keep these documents safe for future reference.
- › If you still have questions about our Flexible Life Plan after reading this booklet, your Financial Adviser should be able to help.

## › About the Flexible Life Plan

The Flexible Life Plan is a regular premium life assurance policy which aims to pay a lump sum on death. It also provides a Waiver of Premium Cover option. It offers a range of unit-linked funds. Your premiums buy units in the fund(s) you select and charges are met by cancelling some or all of these units each month.

You can use the plan to cover the lives of one or two people. The life cover provided is not guaranteed for the life of the plan. Each plan will be reviewed 10 years after the start date and every five years thereafter to check if the value of the plan and the premiums you are paying are sufficient to maintain your chosen amount of life cover.

You start your plan by agreeing to pay regular premiums. These will increase automatically each year unless you choose otherwise. You can make one-off withdrawals and you can cash in your plan at any time.

The plan is set up as a group of 10 identical individual policies. You can cash in each policy separately.

## › Its aim

- › The aim of the Flexible Life Plan is to pay a lump sum on death.

## › Your commitment

- › You need to pay regular premiums of at least £25 a month or £300 a year. You can choose to increase your premiums in future – these increases are called top-ups. The minimum top-up is £5 a month or £50 a year.
- › We also include an Automatic Increase Option in your plan unless you tell us you don't want it. This option means your premiums and life cover would increase every year. For more information, see "Can I increase the amount of life cover?" on page 9.
- › There is no set term for your plan. However, if you reduce or stop paying your premiums, the life cover may be reduced or end. Please see "What happens if I stop paying premiums?" on page 9 for more information.
- › You must tell us if:
  - there is any change in your health between the time you sign the application form and when your plan is issued;
  - you intend to reside outside the UK; or
  - you change your occupation if you have asked for Waiver of Premium Cover.

Any of these could affect your chosen benefits and premiums.

## › Risks

- › The life cover is not guaranteed for the lifetime of your plan. It is possible that the value of your plan could become insufficient to maintain the life cover and it would end. Please see "Is my life cover guaranteed?" on page 8 for more information.
- › You may have to increase your premiums or reduce your life cover in the future. We explain this in "What is a review?" on page 8.
- › The life cover may be reduced if you withdraw money from your plan. You can find more information in the Contract Conditions.
- › The value of your plan can go down as well as up. It will be affected by the investment performance of your chosen funds and the level of monthly charges. As the primary purpose of the plan is to provide a lump sum on death, the cash-in value may be small or even zero.
- › In exceptional circumstances, a transaction (such as a full or partial cash-in) may be delayed which may mean you face a delay in gaining access to your money. You can find more information in the Contract Conditions.
- › Inflation will reduce what you could buy in the future.
- › Tax rules could change.
- › Fluctuations in exchange rates could affect the value of your premiums or withdrawals.

## › Questions and Answers

### Who can take out a Flexible Life Plan?

If you are 18 or over you can take out a Flexible Life Plan. You can take it out on your own, or jointly with another person.

### Whose lives can I cover?

You can cover the lives of one or two people with your plan. You can be one of the people covered, but you don't have to be. The person or people covered are known as the life or lives assured. If there are two lives assured, you can choose to have the life cover paid out when the first person dies or when both people have died.

At the start of the plan, the minimum age for a life assured is 17 and the maximum age is 80. If there are two lives assured and the life cover is paid out when both people have died, the younger person must be no older than 80.

### How much life cover can I choose?

At the start of your plan you can decide either:

- › how much you want to pay in premiums each month or year – in which case we will calculate the corresponding amount of life cover. For Standard Cover this is based on the growth rate chosen by you and your Financial Adviser; or
- › the amount of life cover you want.

The maximum amount of life cover is £5 million for lives up to age 70 last birthday and £3 million for lives aged between 71 and 80. If there are two lives assured, these limits are based on the older person if the life cover is payable on the first death and the younger person if it is payable when both have died.

The amount paid on death will be the amount of life cover or the cash-in value of your plan at that time, whichever is higher.

### What are the Standard Cover and Maximum Cover choices?

You can choose for your life cover to be on a Standard Cover or Maximum Cover basis.

Standard Cover is designed to be sustainable throughout your life, based on the following:

- › you continue to pay your premiums in full,
- › there is no change to the rates used to calculate the charges,
- › the performance of your funds at least equals the chosen growth rate on your illustration, and
- › future reviews assume a growth rate equal to the chosen growth rate on your illustration (for more details, please see "What is a review?" on page 8).

Maximum Cover provides a higher amount of cover for a lower initial premium. It is the level we will guarantee for the first 10 years of the plan, regardless of investment performance, provided that you continue to pay your initial premiums in full. If you choose Maximum Cover, it is unlikely that you will build up any value in your plan, so it is very probable that you will have to increase your premiums at each future review in order to maintain the level of life cover.

## What other benefit can I choose?

You can choose to include Waiver of Premium Cover, subject to the conditions of eligibility. There is an additional charge for this, which will increase your premiums.

Under Waiver of Premium Cover, we will meet your regular premiums if you are off work through accident or illness for three months or more, or if you suffer a severe disability. Your premiums must be fully up to date and must have been paid on time for at least the 12 months before you make the claim.

For full details, please see the Contract Conditions.

## How much will my premiums be?

At outset, you can choose how much you want to pay, in which case we will calculate the amount of life cover (please see "How much life cover can I choose?" on page 7). Alternatively, you can choose the amount of cover you want. In this case, the size of your premiums will depend on a number of factors, including:

- › the amount of life cover you have chosen, whether it is for one or two people and whether it will be paid after one has died or after both have died;
- › whether you have chosen Waiver of Premium Cover;

- › your age, occupation, smoking habits and health;
- › whether you have chosen Standard or Maximum Cover;
- › for Standard Cover only, the growth rate chosen by you and your financial adviser in your illustration.

Your initial monthly or yearly premium is shown in your personal illustration.

If you have chosen the Automatic Increase Option, both the life cover and your premiums will increase each year. More information is given in "Can I increase the amount of life cover?" on page 9.

## Is my life cover guaranteed?

The initial amount of life cover is guaranteed for 10 years, as long as all premiums are paid in full and on time and are not reduced.

After 10 years, or if the above conditions aren't met, the life cover is no longer guaranteed. How long it lasts will depend on actual and expected investment performance, plus the level of charges, particularly the charges for providing life cover. We'll review your plan 10 years after it starts, and every five years after that.

More information is given in the Contract Conditions.

## What is a review?

The purpose of each review is to assess whether the current value of your plan plus your current regular premiums will be sufficient to maintain your current benefits until the next review. Each review is based on a set of assumptions which include expected future growth and the rates used to calculate charges.

If the value is sufficient, we'll write to tell you so and you will not need to take any action at that time. If it isn't, we will write to inform you that you may either increase your premiums to maintain your existing benefits or reduce the amount of your existing benefits. You can choose to do neither, but in that case your cover will stop and your plan will end if the value of your plan becomes too small to meet the monthly charges.

Increasing your premiums or reducing your cover at one review does not guarantee that you will not have to take action at any subsequent review.

If you choose Maximum Cover, it is very likely that you will need to increase your premiums at each review, reflecting your increasing age.

## What happens if I stop paying premiums?

If you stop paying premiums for more than three months, your plan and the life cover will end, unless you choose to take a "premium holiday".

This is only available if:

- you have paid premiums into your plan for at least three years, and
- the cash-in value of your plan is at least £750 (please see the Contract Conditions for details).

If at any time the cash-in value of your plan is insufficient to meet the charges, your benefits will cease and the plan will end.

## Can I increase the amount of life cover?

You can increase the life cover by topping up your plan, subject to our agreement. We may need more information about the health of the people covered before we can increase the life cover.

### Automatic Increase Option

At the start of your plan, you can choose for your life cover to remain level or to increase each year by:

1. 5%, or
2. 7.5% or the rate of increase in the UK Average Weekly Earnings Index, whichever is higher.

If you do not make a choice, the second of these increase options will apply automatically.

We will tell you each year how much the increase will be in your life cover and in your premiums. You can choose to decline the increase any year and you will still be offered increases in future.

## Other increases without further medical information

If the life or lives assured are under age 55, you can increase your life cover without giving us further medical information when the following events happen:

- marriage or civil partnership
- birth of a child
- adoption of a child

You also have the option to increase your life cover, without giving us further information about the health of the people covered, if certain income tax or inheritance tax liabilities increase.

If you choose to increase the amount of your life cover, the amount of your premiums will also increase.

There are certain conditions for these increases. You can find more information in the Contract Conditions.

## Can I reduce the amount of life cover?

You can reduce it subject to any minimum amount of cover that may apply.

## When will the plan pay out?

### Life cover

If you cover one life only, the life cover pays out when that person dies.

If you cover two lives, you can choose for the life cover to be paid:

- when one of the two people has died, or
- when both people have died.

Once the life cover is paid out, the plan will come to an end.

### Waiver of Premium Cover

This will start three months after we accept a claim. It will continue until the person covered recovers or reaches 60, or the plan ends, whichever is earliest. You can find more information on when we will accept a claim in the Contract Conditions.

## When will the plan not pay out?

The plan will not pay out if you do not disclose all information requested or if you make a claim arising from a cause or event that is not covered by the plan. For further information, please see the Contract Conditions.

### Who is the life cover paid to?

We will pay the life cover to the plan owners. If you are the only plan owner, we will pay it to you if you are still alive and to your estate if not.

If you own the plan jointly with someone else we will either pay the proceeds to you both if you are still alive, the survivor if one of you has died or to the survivor's estate if you both have died.

If the plan is in trust, we pay the money to the trustees.

### When will the life cover stop?

The life cover will stop if:

- › you cash in your plan,
- › the life cover is paid,
- › you stop paying premiums without taking a premium holiday (please see "What happens if I stop paying premiums?" on page 9), or
- › if the guarantee no longer applies and the fund value is insufficient to meet the charges.

### Where can I invest my money?

You and your adviser choose which funds you would like to invest your money in, from our fund range. You can invest in up to 10 funds at any one time. For more information about the funds you can choose from, please read our "Funds Guide: Your international unit-linked funds guide", which your Financial Adviser can give you.

You cannot invest in any asset which would give rise to a tax charge under the personal portfolio bond legislation. For more information, please speak to your Financial Adviser.

### Unit pricing basis

When you invest in one of our funds, your money buys units in that fund. The price of these units is primarily determined by the value of the assets held in the fund, but also depends on whether, overall, more money is going into the fund or coming out of it.

If there is a net inflow of money, the fund will be buying assets. This means that the unit price will be influenced by the purchase price of the underlying assets in the fund. Conversely, if there is a net outflow, it will be influenced by the sale price of the underlying assets, which is lower than the purchase price.

Over time, as the flows of money change, the unit price will fluctuate between a purchase price basis and a selling price basis. At times, there may be a sharp movement between the two, meaning the unit price could rise or fall significantly. This will affect the price you pay to buy units when you invest in a fund or the value you receive from selling, if you are switching out of a fund or cashing in your bond.

The difference between purchase and selling prices is generally largest for funds investing in property, smaller companies and developing markets.

### Can I switch money between funds?

Yes. However, you can't invest in more than 10 funds at any one time.

You can switch up to 20 times in any 12-month period without charge. After that, we will charge you. The charge is shown in "What are the charges?" on page 12.

### Can I withdraw money from my plan?

You can make withdrawals subject to a minimum, which is currently £75. You can either take a withdrawal evenly across all the policies in your plan or fully cash in individual policies.

In either case, the value of the plan will reduce and the life cover may also be reduced. You can find more information in your Contract Conditions.

There may be a cash-in charge if you withdraw money from your plan. Please see "What are the charges?" on page 12 for more information.

We will pay any money you withdraw from your plan into your chosen bank account.

If the plan is written in trust you may not be able to make a withdrawal for your own benefit. For more information on trusts, please speak to your Financial Adviser.

## What happens if I cash in my plan?

You can cash in your plan at any time but there may be a cash-in charge, as explained in "What are the charges?" on page 12. You are unlikely to get back as much as you have paid in. This is particularly true in the early years, or if you have chosen Maximum Cover, when the cash-in value is likely to be zero.

The amount you will get will depend on:

- › the amount of your regular premiums,
- › how long you've had the plan,
- › any withdrawals you've made,
- › how your investments have performed, and
- › the charges that have been taken from your plan.

If there are any outstanding charges on the plan, we will deduct them from the cash-in value.

You can find more information about how much you might get in your personal illustration, which is based on example growth rates and your chosen amount of life cover.

Once the plan is cashed in, the protection benefits will come to an end.

## How will I know the value of my plan?

We'll send you an annual statement. If you want to know the value of your plan at another time, please call us on **+353 1 476 5000**.

## Do I pay tax on my plan?

This will depend on your individual circumstances and country of residence for tax purposes, so for specific advice you should speak to your Financial Adviser.

Below is a brief description for UK tax residents.

### UK capital gains tax

You won't have to pay any capital gains tax.

### UK income tax

If you're an individual investor, you may have to pay income tax when a "chargeable event" occurs.

This will happen when:

- › your plan ends because a life assured dies,
- › you cash in your plan or individual policies within it,
- › you transfer legal ownership of it, in full or in part, for money or for something worth money, or
- › a life assured is replaced.

If the life assured is replaced, this may result in an income tax charge even though no cash benefits have been paid from the plan.

The gain on your plan will be added to your total taxable income for that year and you will normally pay tax on the gain at your highest rate, although in some cases you may be able to claim "top-slicing" relief.

A gain on your plan may affect any entitlement to personal allowances and certain tax credits.

### UK inheritance tax

If you're UK domiciled and your plan isn't in trust, your estate may have to pay inheritance tax on it when you die.

### Irish Exit Tax

If you become resident in Ireland, we'll deduct Irish Exit Tax from your plan:

- › every eight years;
- › when any benefits are paid out; or
- › when the owners of the plan change.

We pay this tax to the Irish tax authorities.

If you're not resident in Ireland, you don't have to pay Irish Exit Tax provided you complete the "Declaration of residence outside Ireland" which is contained within the application form.

### Tax rules for trusts

If your plan is written under trust, special tax rules apply. For more information, please speak to your Financial Adviser.

### Tax rules for corporate investors

UK corporate investors cannot benefit from the 5% annual tax-deferred allowance. For more information, please speak to your Financial Adviser.

## What are the charges?

We charge you for setting up, managing and administering your plan and providing the life cover.

<b>Acquisition charge</b>	This charge is calculated for creating your initial regular premium. It is deducted monthly from when your premiums start. Any amount outstanding is carried forward to the next month and is increased by interest until the sum is cleared. Your acquisition charge will increase each time your premium increases. Example figures are shown on your illustration and there are more details about the charge in the Contract Conditions.
<b>Establishment charge</b>	This is a percentage based charge deducted for a specified length of time depending on your age. For further details of how this is applied, please see your Contract Conditions. Example figures are shown on your personal illustration.
<b>Administration fee</b>	We take a monthly fee for administering your plan, which is currently (for 2012) £4.65.
<b>Initial charge</b>	We take an initial charge of 5% of your regular premiums each time you buy units.
<b>Fund charges</b>	All of the funds have an annual management charge and some have an additional expense. These are set out in "Funds Guide: Your international unit-linked funds guide", which you can get from your financial adviser.
<b>Providing life cover and Waiver of Premium Cover if chosen</b>	Your personal illustration will take into account the charges for providing your chosen benefits and assumed increases in the charges over time.
<b>Switch charge</b>	You can switch up to 20 times in any 12-month period without charge. After that, we will charge you. The charge is currently (for 2012) £15.45 for each switch.
<b>Cash-in charge</b>	If you fully or partly cash in your plan, or individual policies within it, we will make a charge. You can find details in the Contract Conditions.

Our charges may change in future and may be higher than they are now. Further information can be found in the Contract Conditions. All monetary charges may increase annually in line with the Irish Consumer Price Index and movements in relevant exchange rates.

Your personal illustration will show how charges affect your plan and also shows details of how much we will pay to your financial adviser.

## What if I want to cancel my plan?

You can cancel your plan within 30 days of receiving your documents. These include a Cancellation Notice. We will also send you a Cancellation Notice for any top-ups you make.

To cancel your plan or top-up, please complete and return the Cancellation Notice, or write to us at:

**Operations Department  
Prudential International  
Montague House  
Adelaide Road  
Dublin 2  
Ireland**

Please include your plan reference number.

If more than one person owns the Flexible Life Plan, we will accept cancellation within 30 days by either of the owners, whether they're acting alone or jointly.

If you cancel your Flexible Life Plan or top-up within the 30-day period, we'll give you your money back.

## › Other information

### How to contact us

You can contact us by:

**Telephone: + 353 1 476 5000**

The opening hours are 9am to 5pm Monday to Friday. Calls may be monitored or recorded for quality and security purposes.

**Post: Operations Department  
Prudential International  
Montague House  
Adelaide Road  
Dublin 2  
Ireland**

You'll also find more information at [www.pru.co.uk/international](http://www.pru.co.uk/international)

### How to make a complaint

If you have a complaint about your Flexible Life Plan, please contact your Financial Adviser first, as they may be able to resolve it quickly for you.

If we do anything that you're unhappy about, we'll always try to put it right.

Please send your complaint to:

**Customer Services Manager  
Operations Department  
Prudential International  
Montague House  
Adelaide Road  
Dublin 2  
Ireland**

If you'd rather phone, you can call us on **+353 1 476 5000**.

We hope that we will be able to handle your complaint in a way that satisfies you. But if we can't, you can speak to the independent Financial Services Ombudsman Bureau. You can contact the Service at:

**The Financial Services  
Ombudsman Bureau  
3rd floor, Lincoln House  
Lincoln Place  
Dublin 2  
Ireland**

**Telephone: +353 1 662 0899**

Making a complaint to the Financial Services Ombudsman Bureau will not affect your right to take legal action.

### How we will communicate with you

We will communicate with you in English by letter, by phone or by email.

### Your client category and why it matters

We are required to categorise our clients based on their involvement in and familiarity with financial services. This helps to make sure we send the right information to the right people. For example, information for an individual customer should assume less knowledge than information for a financial services company.

You're categorised as a "retail client". This means that we make sure the information we give you is clear, balanced and indicates any relevant risks. Your category does not affect your right to lodge a complaint with the Irish Financial Services Ombudsman Bureau.

If you have any questions about your client category, please call our Customer Services Department on **+353 1 476 5000**.

### Conflict of interest

We want to make sure that we uphold our reputation for conducting business with integrity. That's why we have drawn up a policy to deal with any conflicts of interest.

If you would like to know the full details of our Conflict of Interest Policy, please contact our Customer Services Department on **+353 1 476 5000**.

## Tax

The information in this booklet is based on our understanding as at January 2012 of current taxation, legislation and HM Revenue & Customs practice. All of these are liable to change without notice. The impact of taxation and any tax relief depends on individual circumstances.

## Law

The law of England applies to your Flexible Life Plan. The details of the legally binding contract between you and Prudential International are contained in the Policy Documents, which include the Contract Conditions.

## Terms and conditions

This Key Features booklet summarises our Flexible Life Plan. It doesn't include all the definitions, exclusions, terms and conditions. You can find our full terms and conditions in the Contract Conditions. If you would like a copy of this, please phone us on **+353 1 476 5000**.

## Compensation

Certain UK residents may be entitled to compensation from the Financial Services Compensation Scheme if Prudential International Assurance becomes insolvent. This depends on whether you are an eligible client, the type of business and the circumstances of the claim.

Further information is available from:

**The Financial Services  
Compensation Scheme  
7th floor, Lloyds Chambers  
Portoken Street  
London  
E1 8BN**

**Telephone: 0207 741 4100 or  
Freephone: 0800 678 1100**

**[www.fscs.org.uk](http://www.fscs.org.uk)**

It is important to note that the compensation scheme detailed above applies to the potential insolvency of Prudential International and not the underlying investments held within your plan. This scheme, therefore, does not protect you against losses from poor fund performance or the insolvency of a fund or its management company.

## Regulator

The address of the regulator which authorises Prudential International is:

**Central Bank of Ireland  
PO Box 559  
Dame Street  
Dublin 2  
Ireland**

Prudential International is subject to limited regulation by the Financial Services Authority (FSA) for UK business. The address of the FSA is:

**The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS**

Details on the extent of our regulation by the FSA are available from us on request.





**[www.pru.co.uk/international](http://www.pru.co.uk/international)**

The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2. Prudential International is a marketing name of Prudential International Assurance plc. Registration No. 209956. Telephone number +353 1 476 5000. If the Company should become unable to meet its liabilities, the Financial Services Compensation Scheme will protect eligible policyholders habitually resident in the UK when their contract starts, with effect from 1 December 2001. This protection does not extend to externally-linked investments. Prudential International Assurance plc is authorised by the Central Bank of Ireland and is subject to limited regulation by the Financial Services Authority for UK business. Details on the extent of our regulation by the Financial Services Authority are available from us on request.