

Facilitated Adviser Charges Guide



This guide gives you details of how facilitated adviser charges work. It's an important document to refer to. You may need to refer to it if you want to make any changes to facilitated adviser charges in the future.

In the guide we refer to 'you', 'we' and 'us'. 'You' means the owner of the policy, referred to in your Policy Schedule as the policyholder. 'We' and 'us' means ReAssure.

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1. What are facilitated adviser charges?

You'll agree with your adviser's firm how to pay adviser charges for their services before you invest your money into your policy. We offer you a way of paying your adviser charges called facilitated adviser charges. You can ask us to facilitate payment of your adviser charges by making deductions from the money you give us before you invest, or from your policy after it has started. We'll then pay the amounts we've deducted to your adviser's firm.

When we've made a deduction for a facilitated adviser charge, we're then responsible for paying the amount deducted to your adviser's firm.

2. What types of facilitated adviser charge do you offer?

There are two ways of facilitating payment of your **adviser charges**:

- An **initial** facilitated adviser charge deducted before you invest in your policy.
- An **ongoing** facilitated adviser charge deducted from your policy after it has started. We'll make any payments based upon the instructions you give us.

Initial facilitated adviser charge

An initial facilitated adviser charge relates to the adviser charge payable by you for advice that leads to you making an additional investment into your policy.

You'll agree an amount with your adviser's firm which we'll deduct from the total amount you give us before you invest in your policy. We'll then pay this amount to your adviser's firm.

We'll only deduct and pay an initial facilitated adviser charge once for each individual investment. We'll also only make this type of payment before you invest in your policy.

Ongoing facilitated adviser charge

An ongoing facilitated adviser charge relates to the adviser charge payable by you for any ongoing advice or related services.

You'll agree an amount with your adviser's firm calculated as either a percentage of your policy value or a percentage of your premium which we'll deduct monthly from your policy. We'll then pay this amount to your adviser's firm.

We'll continue paying the ongoing facilitated adviser charge until you ask us to stop or change it, or until there isn't enough money left in your policy to pay the charge.

3. How does each type of facilitated adviser charge work?

Initial facilitated adviser charge

- We make a deduction from the amount you provide us with. We pay this to your adviser's firm and invest the remaining money into your policy.

For example:

If you invest £50,000 and ask us to pay £1,500 to your adviser's firm as an initial facilitated adviser charge, the payment is divided as follows:

£1,500 paid to your adviser's firm, the remaining £48,500 is invested in your policy.

Ongoing facilitated adviser charge

- We cash in units based on your chosen percentage of either your policy value or your premium.
- If your policy is invested in more than one fund, we cash in units from each fund proportionately.
- The amount we pay has to be divisible by whole pence for each individual investment that makes up your overall policy. If this isn't possible, we'll round the amount up to the next whole penny for each policy.

For example:

If you've agreed to pay your adviser an ongoing facilitated adviser charge of 1% each year, we'll divide this percentage by the number of monthly payments and deduct units to the value of 1/12th of 1% from your policy each month.

4. Payment due dates and date of calculation of values

Ongoing facilitated adviser charges are due on the same day of the month, in line with the date shown in your Policy Schedule or confirmation letter.

We cash in units using the unit price, or unit prices, calculated on the date the facilitated adviser charge is due. Where that date falls on a non-working day we will cash in units using the unit price, or unit prices, calculated on the nearest working day.

There could be times when we can't calculate the unit price for a fund which your policy's invested in. This could be due to market conditions or failure of another company we rely upon.

Fund suspensions

Fund suspensions usually only happen in exceptional circumstances, such as market volatility. To make sure all investors are treated fairly, fund trading may be stopped temporarily. If this happens, any ongoing facilitated adviser charges from affected funds will continue to be paid. Reductions and stops to ongoing facilitated adviser charges will also be allowed. New additional investments into affected funds or increases to ongoing facilitated adviser charges from affected funds would need to wait until the funds are able to trade again. We'll let you know if you're affected by this.

5. What options do I have once my investment has been set up?

Initial facilitated adviser charge

- This can't be changed or cancelled once your policy has started, as we'll have already paid it to your adviser.

Ongoing facilitated adviser charge

- You can stop, amend or start (on additional investments to an existing policy) an ongoing facilitated adviser charge at any time. All policyholders must sign and date an instruction before we can accept it.
- We can act on your instructions alone. We don't need the agreement of your adviser's firm although you'll need to tell your adviser if you make any changes to an ongoing facilitated adviser charge.
- We won't act on any instructions from your adviser's firm without your agreement unless they ask us to reduce or stop an ongoing facilitated adviser charge.
- You need to give us your instructions in writing in advance of the date you want us to make a change to an existing facilitated adviser charge. If a payment to your adviser's firm is due to be paid around the time of your request, we won't be able to stop it and it will take effect from the next payment due.
- If you ask us to stop or reduce your ongoing facilitated adviser charge, you'll need to check your agreement with your adviser's firm to see if you have any further adviser charges to pay.

6. What happens if I cash in some of my policy?

Ongoing facilitated adviser charges on individual investments which make up an overall policy will end when that individual policy is surrendered (or cashed-in). Ongoing facilitated adviser charges on individual investments which remain invested will continue to be paid to your adviser.

7. What happens if I cash in all of my policy?

We'll cancel all ongoing facilitated adviser charges when your policy ends. You'll need to check your agreement with your adviser's firm to see if you have any further adviser charges to pay.

8. What happens if I make any additional investments into my policy?

Each additional investment is treated as a separate individual investment within the overall policy, for the purposes of paying facilitated adviser charges. When you make an additional investment you'll need to tell us if you want facilitated adviser charges to apply to it. We won't automatically apply the same facilitated adviser charges from your existing investment(s) to any additional investments.

You can ask us to pay an initial and/or ongoing facilitated adviser charge from each additional investment, irrespective of what you've asked us to pay from your original investment, or any other additional investment you've made.

If you ask us to pay ongoing facilitated adviser charges from your additional investment, we'll send you confirmation of this.

9. What happens if I change my mind about a facilitated adviser charge?

Once we've set up and paid any initial facilitated adviser charges, we can't cancel them. We can stop any future payments if you tell us to, or you cancel your policy. However, you can make changes to an ongoing facilitated adviser charge as shown in the **What options do I have once my investment has been set up?** section above.

If you cancel your policy, or if you stop or reduce an ongoing facilitated adviser charge, you should check your agreement with your adviser's firm to see if you have any further payments to make to them.

10. How do I know how much I've agreed you should pay to my adviser's Firm?

Once your policy has started we'll send you confirmation of any ongoing facilitated adviser charges you've asked us to pay to your adviser's firm. We'll send you an illustration which shows the effects of any ongoing facilitated adviser charges on what you might get back in the future.

We'll also send you a statement each year which will include details of any ongoing facilitated adviser charges we've deducted from your policy.

11. What happens if I change my adviser?

We'll continue to pay ongoing facilitated adviser charges until you tell us to do otherwise.

You can tell us to set up a facilitated adviser charge to pay your new adviser's firm. If you do this, we'll stop any facilitated adviser charges due to your existing adviser's firm. You'll need to contact them to let them know.

To set up a new ongoing facilitated adviser charge to your new adviser's firm, we'll need to receive your instructions in writing in advance of the next payment date. We may not be able to stop a facilitated adviser charge for your existing adviser's firm until the next withdrawal date.

12. Are there any tax implications?

Paying your adviser's firm from your policy may have tax implications. How this affects you will depend on your personal situation, the type of facilitated adviser charges you agree to pay and the total amount of income being withdrawn from your policy:

- **Initial facilitated adviser charge** – There are no tax implications relating to the overall investment as the charge is deducted before you invest in your policy.
- **Ongoing facilitated adviser charge** – This is treated in the same way for tax purposes as any other amounts you take out of your policy. Any ongoing facilitated adviser charge paid to your adviser's firm after your bond starts, is treated as if it was a regular income withdrawal paid to you. You'll need to add it to all other amounts you cash in to work out if you have a liability to tax.

You should also check with your adviser if you want further information on the tax implications of facilitated adviser charges.

13. What happens if someone named on my policy dies or the policyholders change?

If one of the people named in the Policy Schedule(s) as a policyholder dies and there's another or others still alive, we'll continue to pay any ongoing facilitated adviser charges. If the last surviving policyholder dies, we'll stop any facilitated adviser charges from the date of death.

If we're notified of a transfer of ownership to anybody other than a policyholder named on the Policy Schedule(s) we'll stop any facilitated adviser charges.

14. Changing the terms of facilitated adviser charges

We may make changes to the terms of facilitated adviser charges that apply to your policy as a result of actions taken by, or circumstances that apply to, your adviser. We'll only make changes for good reasons which include the following:

- Your adviser ceases to be an authorised or exempted person under the Financial Services and Markets Act 2000.
- Your adviser ceases to have the appropriate and relevant permissions from the Financial Conduct Authority (or subsequent regulatory bodies) to carry on the business.
- Your adviser dies or becomes insolvent.
- Your adviser is no longer providing you with advice or advice-related services.
- We believe your adviser is acting in breach of regulatory requirements or in a fraudulent manner.

Glossary

Adviser charges

The amount you agree to pay your adviser's firm for their services. Please note that your adviser may have a different name for this such as a fee or service charge.

Assets

The investments that make up a fund. For example, shares or cash.

Facilitated adviser charge or facilitated adviser charges

A way of paying your adviser charges. You can ask us to deduct facilitated adviser charges from the money you give to us before you invest in your policy, from your policy after it has started, or a combination of both. We'll then pay the amounts deducted to your adviser's firm.

Fund or funds

A collection of assets that your policy can be invested in. These assets may be managed by us or other investment management companies. Where we refer to 'fund' in this document it can mean fund or funds.

Individual investment

Each investment you make into your policy. For example, your original investment to set up your policy and three additional investments would make a total of four individual investments into your policy.

Individual investment's value

The total value of an individual investment in your policy.

Policyholder

The legal owner, or owners, of your policy.

Policy Schedule

A document that sets out the details of your investment which is proof of ownership of your policy.

Units

A unit is a share of a fund. Each fund is split into a series of units. The number of units you hold is your share of the fund.

Unit price or prices

A price calculated each working day that is used to value units.

Working day

Any day from Monday to Friday inclusive, excluding English public holidays.