

# REASSURE LIFE LIMITED

# **REMUNERATION GUIDE**

FOR FINANCIAL ADVISERS ONLY

This remuneration guide relates to **products** provided by ReAssure Life Limited.

This Remuneration Guide comes into effect on **31 October 2019**.

This guide should be read together with our current ReAssure Life Limited **Intermediary Terms of Business**.



ReAssure

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## 1. INTRODUCTION

1.1. This guide provides details of the remuneration options available for **products** provided by **ReAssure Life Limited**.

**i** Please note that all remuneration arrangements agreed with **financial advisers** before 1 January 2013 (referred to in this guide as the **effective date**) will be treated by us as **commission** for the purposes of the **FCA's** rules, including payments described as "fees".

**i** The Remuneration Guide is available on our literature library or on request.

1.2. Words that appear in **bold** are explained in the glossary set out in the ReAssure Life Limited Intermediary Terms of Business.

## 2. WHO TO CONTACT FOR MORE INFORMATION

2.1. If you require more information about anything in this guide, please contact your ReAssure Business Consultant or our helpdesk.

## 3. ADVISER CHARGING

3.1. The table below shows the **ReAssure Life Limited products** that can facilitate Adviser Charging and those that cannot, from the **effective date**.

Table 1 – products that can and cannot facilitate Adviser Charging

Product	Open to new business	Open to top-up	Facilitates Adviser Charging	
Personal pension (PP6) (fee-based)	✓	✓	✓	Refer to section 4 for information about Adviser Charging.
Buyout bond (BB6) (fee-based)	✓	✗	✓	
Personal pension income plan (DA6)	✗	✗	✓	
Executive pension (EP6) (fee-based)	✗	✓	✓	
Pension trustee bond (TI6) (fee-based)	✗	✓	✓	
Personal pension (PP5)	✗	✓	✓	
Executive pension (EP5)	✗	✓	✓	
Pension trustee bond (TI5)	✗	✓	✓	
Personal pension (PP1-4)	✗	✓	✗	
Executive pension (EP1-4)	✗	✓	✗	
Free standing pension (FS1-4)	✗	✓	✗	
Personal pension scheme (PPS)	✗	✓	✗	
Executive pension scheme (EPS)	✗	✓	✗	
Pension trustee bond (TI2)	✗	✓	✗	
Personal retirement account (PRA)	✗	✓	✗	
Select personal pension account (SPA)	✗	✓	✗	
Executive retirement account (ERA)	✗	✓	✗	
Free standing pension account (ACA)	✗	✓	✗	
Trustee retirement account (TRA)	✗	✓	✗	
Framlington annual premium pension (FRA)	✗	✓	✗	
Framlington monthly premium pension (FRM)	✗	✓	✗	
Framlington single premium pension (FRS)	✗	✓	✗	
Skandia investment bond (SIB) Capital and income bond (CAB) Skandia distribution bond (SDB)	✗	✓	✗	
Enhanced allocation bond (EAB)* (with life cover)	✗	✓	✗	* <b>Top-ups</b> will only be accepted in to the EAB where they are required to maintain the existing sum assured.
Enhanced allocation bond (EAB) (without life cover)	✗	✗	✗	

Product	Open to new business	Open to top-up	Facilitates Adviser Charging	
The Skandia plan (TSP)	x	✓	x	
Skandia lifetime plan (SLP)	x	✓	x	
Permanent protection plan (PPP)	x	✓	x	
Personal pension (PP6) (commission based)	x	x	x	
Executive pension (EP6) (commission based)	x	x	x	
Pension trustee bond (TI6) (commission based)	x	x	x	
Executive pension plan (EPP)	x	x	x	
Director's plan (DP)	x	x	x	
Employee's benefits plan (EBP)	x	x	x	
Independent pension bond (IPB)	x	x	x	
Independent pension plan (IPP)	x	x	x	
Self-administered Retirement Plan (SAP)	x	x	x	
Skandia pension plan (SPP)	x	x	x	
Self-administered retirement plan (SRP)	x	x	x	
Personal contracted-out bond (PCO)	x	x	x	
Maximum investment plan (MIP)	x	x	x	
Capital accumulation plan (CAP)	x	x	x	
Skandia endowment plan (SEP)	x	x	x	
High investment bond (HIB)	x	x	x	
Assured performance bond (APB)	x	x	x	
Capital investment bond (CIB)	x	x	x	
PETA bond (PEB)	x	x	x	
Flexible investment bond (FIB)	x	x	x	
Protect (LC1)	✓	✓	n/a	Protect is unaffected by the Adviser Charging rules. Refer to section 6 for details of <b>commissions</b> on Protect products.
Protect (CI1)	✓	✓	n/a	
Protect (LT1)	x	✓	n/a	

#### 4. FACILITATING ADVISER CHARGING

- 4.1 We may agree to facilitate **adviser fees** on behalf of **clients** in relation to **products** taken out on an advised basis or advised **top-ups** on or after the **effective date**. We will only do so provided we have in each case received the **client's** original signed request on our standard form. All **adviser fees** are taken by way of deduction of units from the **product**, and are assumed to include VAT if applicable.
- 4.2 We will credit or pay **adviser fees** on all **business** arranged by you or your **appointed representatives** and accepted by us, unless:
- you are no longer servicing the **client** (see section 8)
  - the **client** notifies us that they have withdrawn, revoked or terminated their arrangement to pay **adviser fees** to you
  - the **adviser fees** are no longer permitted under **FCA** rules, or if we are no longer permitted by the **FCA** to facilitate the payment of **adviser fees**; or
  - we terminate the **terms** with you for any reason.
- 4.3 You are responsible for ensuring that you comply with the requirements of the **FCA** and **HMRC** in relation to any **adviser fee**. The fact that we may facilitate an **adviser fee** does not mean that we believe that it complies with **FCA** or **HMRC** requirements. We reserve the right not to facilitate any **adviser fee** if we reasonably believe it is in breach of the **FCA's** rules.
- 4.4 Any dispute relating to an **adviser fee** is a matter for you and your **client**. We will not be liable to you for the payment of any **adviser fee** not received by us from a **client**, whether or not due and payable to you.

**i** Please note that under **HMRC** rules regarding the use of adviser charges, only advice given in relation to a pension **product** can result in an **adviser fee** being deducted from the pension. Advice given for another **product** but deducted from a pension will result in the amount taken being treated as an unauthorised payment.

4.5 We can do this for the following types of **adviser fee**:

**Series 6 fee-based pensions (PP6, BB6, DA6, EP6, T16)**

<b>Adviser initial fee – (regular contribution)</b>	<p>This can be expressed as either a monetary amount or a percentage, equal to up to:</p> <ul style="list-style-type: none"> <li>• 7% of each monthly or annual <b>contribution</b> paid for the term of the <b>product</b>.</li> <li>• 25% of each monthly or annual <b>contribution</b> paid for the first two years from the commencement of the <b>contribution</b>.</li> </ul> <p><b>Monetary fees</b> – If a monetary fee exceeds the maximum levels shown above, the maximum will be collected and paid, and the balance of the specified fee carried forward to the next <b>contribution</b>. This process is repeated until either the fee has been paid in full, or the contribution has been in force for two years when any outstanding balance will not be paid. A monetary fee can be reduced or increased but can never exceed the original fee. It can also be stopped at the <b>client's</b> request and restarted at any time in the first two years of the contribution commencement. A monetary fee cannot be taken for increases to regular <b>contributions</b>.</p> <p><b>Percentage fees</b> – A percentage fee can be increased, decreased or stopped at any time, but can never exceed the original fee and cannot be restarted.</p> <p>If a regular <b>contribution</b> is increased, the rate of any existing initial fee will need to be reconfirmed, but can continue unless a new rate is requested by the <b>client</b> (the new rate will apply to the full regular <b>contribution</b> amount, not just the amount it is increased by).</p>
<b>Adviser initial fee – (single contribution)</b>	<p>This can be expressed as either a monetary amount or a percentage, equal to up to 7% of each single <b>contribution</b> to the <b>product</b>.</p> <p>Different initial fees (both types and amounts) can be requested for regular and single <b>contributions</b> (including different fees for each single <b>contribution</b>).</p>
<b>Adviser fund-based fee</b>	<p>This can be expressed as a percentage, equal to up to 7% of the fund value each year, paid for the term of the <b>product</b> or a specified number of years.</p> <p>This fee can be added at any time. The fee can be increased, decreased, stopped and restarted.</p> <p>This fee can be deducted monthly, quarterly, half-yearly or yearly. The deduction frequency required must be selected at the same time as the fee is selected, and cannot be changed.</p> <p>The adviser <b>fund-based fee</b> and <b>adviser servicing fee</b> cannot be used together, although your <b>client</b> can select an initial fee with one of these fees.</p> <p>Details of when this fee is deducted can be found in the Member's Guide.</p>
<b>Adviser servicing fee</b>	<p>This is for a specified monetary amount, equal to up to 7% of the fund value each year, paid for the term of the <b>product</b> or a specified number of years. Where any amount selected exceeds this, the lower amount will be paid.</p> <p>Your <b>client</b> can select an annual escalation by fixed percentage of up to 5%. The escalated amount will be subject to a maximum of 7% of the fund value each year.</p> <p>This fee can only be selected at the outset. The fee can be increased, decreased, or stopped at any time at the <b>client's</b> request, but can never exceed the original fee and cannot be restarted.</p> <p>This fee can be deducted monthly, quarterly, half-yearly or yearly. The deduction frequency required must be selected at the same time as the fee is selected, and cannot be changed.</p> <p>The <b>adviser fund-based fee</b> and <b>adviser servicing fee</b> cannot be used together, although your <b>client</b> can select an initial fee with one of these fees.</p> <p>Details of when this fee is deducted can be found in the Member's Guide.</p>

**Series 5 initial price pensions – top-ups (PP5, EP5, T15)**

4.6 When you submit a **top-up** on or after the **effective date**, you and your **client** may agree:

- for us to continue to pay **commission** already in place (excluding any **fund-based fee**) on existing money and any **top-up** on or after the **effective date** will be on a nil **commission** basis. Any existing **fund-based fee** will be removed from the **product**, or
- to convert the plan to Adviser Charging and stop all **commission**.

If you select option 4.6(b), the following **adviser fee** may then be facilitated:

**Fund-based fee** – This can be expressed as a percentage, equal to up to 1.5% of the fund value each year, paid for the term of the **product**. The fee is deducted annually.

4.7 The first payment is deducted three months after we accept the **client's** request to add or amend the **fund-based fee**.

This fee can be added to the **product** at any time after the **product** has converted to Adviser Charging. The fee can be increased, decreased, stopped and restarted.

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## 5. COMMISSION PAYABLE AFTER THE EFFECTIVE DATE

5.1 From the **effective date**, no **commission** will be payable on **top-ups**, subject to the following exceptions:

(a) **Automatic increase option (pensions only)**

Where an agreement to increase regular **contributions** automatically was in place on a **product** before the **effective date**, **commission** can be paid on the automatic increases applied after the **effective date**. For series 5 and 6 pensions, this will only occur if the **product** has not converted to Adviser Charging.

(b) **Protect**

Section 6 below shows how **commissions** payable on **Protect products** will be affected.

5.2 All forms of **remuneration** previously agreed between us and you will continue in accordance with our previously agreed **terms** unless varied by us in the **terms**.

5.3 **Top-ups to CAB, SIB and SDB**

**Commission** already in place (excluding any **fund-based fee**) can continue to be paid on existing money. Any **top-up** on or after the **effective date** will be on a nil **commission** basis and any existing **fund-based fee** will be removed from the **product**.

5.4 **Maximum Investment Plan (MIP)**

No **commission** will be paid following the extension of a MIP.

## 6. COMMISSION PAYMENTS FOR PROTECT

6.1 Tables 2 to 6 explain the **commission** payable for Protect products.

Table 2 – Protect commission options

Marketing allowance is not available on regular **contribution** renewal **commission**.

	CI1	LC1	LT1
<b>Regular contribution non-indemnity and indemnity initial commission</b> This is calculated as a percentage of each monthly or annual <b>contribution</b> paid during the <b>initial period</b> . Please refer to tables 3 and 6 to determine the <b>initial period</b> and to calculate the total amount of <b>commission</b> payable.	Four year commission term: a maximum of 25% for rolling/whole life and 35% for fixed term. Two year commission term: a maximum of 42% for rolling/whole life and 59% for fixed term. Please note that these rates are based on the percentage of the annualised contribution.		
<b>Regular contribution renewal commission</b> A percentage of each <b>contribution</b> paid, payable from the end of the <b>initial period</b> until the <b>product</b> stops.	Maximum of 2.5% of each <b>contribution</b> paid		
<b>Single contribution commission</b> A percentage of each <b>contribution</b> paid.	N/A	N/A	Maximum of 5% of each <b>contribution</b>
<b>Reduced commission options</b>	You can choose at the outset to reduce the <b>contribution</b> the <b>client</b> would otherwise have to pay by taking either a lower monetary amount or lower percentage of initial <b>commission</b> . The effect of selecting a lower level of initial <b>commission</b> depends on the term of the <b>product</b> and other factors such as the <b>client's</b> age. Renewal <b>commission</b> cannot be reduced but will automatically be stopped if the initial <b>commission</b> is reduced to zero. Stopping renewal <b>commission</b> will not reduce the contribution further. Individual quotations are available from your ReAssure AdviserView, or visit Protect Quote and Apply on <a href="https://www.reassure.co.uk/Adviser/">https://www.reassure.co.uk/Adviser/</a> . If your <b>client</b> subsequently increases <b>contributions</b> , the same rates will apply.		

### FOUR YEAR COMMISSION TERM

Table 3 – Protect, fixed term regular contribution maximum initial commission calculation table (LC1 and CI1)

The minimum fixed term at commencement is five years. The maximum **initial period** is 48 months.

Term (years)	Initial Period (months)	Indemnity commission		Non-indemnity commission (%)
		Monthly contributions (%)	Yearly contributions (%)	
1	4	11.50%	11.67%	11.67%
2	9	25.23%	26.25%	26.25%
3	13	35.74%	37.59%	37.92%
4	17	45.84%	47.94%	49.58%
5	22	57.92%	60.88%	64.17%
6	26	67.15%	70.66%	75.83%
7	30	76.03%	79.84%	87.50%
8	34	84.55%	89.03%	99.17%
9	39	94.75%	99.74%	113.75%
10	43	102.54%	107.90%	125.42%
11	47	110.04%	116.05%	137.08%
12	48	111.87%	118.09%	140.00%

For lives below 70 attained at entry, the **commission** term is the number of complete years between the regular **contribution** start date and the **product** anniversary before the life assured's 75th birthday, subject to a maximum of 12 years. For lives aged 70 and above attained at entry, the **commission** term is five years. Joint life **products** are based on the older life.

Table 4 – Protect, rolling term and whole life regular contribution maximum initial commission calculation table (LC1 and LT1)

Term (years)	Initial period (months)	Indemnity commission		Non-indemnity commission (%)
		Monthly contributions (%)	Yearly contributions (%)	
5	8	16.10%	16.67%	16.67%
6	10	19.93%	20.83%	20.83%
7	11	21.82%	22.92%	22.92%
8	13	25.53%	26.85%	27.08%
9	14	27.36%	28.70%	29.17%
10	16	30.97%	32.40%	33.33%
11	18	34.51%	36.09%	37.50%
12	19	36.25%	37.94%	39.58%
13	21	39.68%	41.64%	43.75%
14	22	41.37%	43.49%	45.83%
15	24	44.70%	47.19%	50.00%
16	25	46.34%	48.83%	52.08%
17	27	49.57%	52.11%	56.25%
18	28	51.17%	53.75%	58.33%
19	30	54.30%	57.03%	62.50%
20	31	55.85%	58.67%	64.58%
21	32	57.38%	60.31%	66.67%
22	34	60.40%	63.59%	70.83%
23	35	61.88%	65.24%	72.92%
24	37	64.81%	68.33%	77.08%
25	38	66.25%	69.79%	79.17%
26	39	67.68%	71.24%	81.25%
27	39	67.68%	71.24%	81.25%
28	40	69.09%	72.70%	83.33%
29	40	69.09%	72.70%	83.33%
30	41	70.49%	74.16%	85.42%
31	41	70.49%	74.16%	85.42%
32	42	71.87%	75.61%	87.50%
33	42	71.87%	75.61%	87.50%
34	43	73.25%	77.07%	89.58%
35	43	73.25%	77.07%	89.58%
36	44	74.60%	78.52%	91.67%
37	44	74.60%	78.52%	91.67%
38	45	75.95%	79.98%	93.75%
39	45	75.95%	79.98%	93.75%
40	46	77.28%	81.44%	95.83%
41	46	77.28%	81.44%	95.83%
42	47	78.60%	82.89%	97.92%
43	47	78.60%	82.89%	97.92%
44	48	79.90%	84.35%	100.00%
45	48	79.90%	84.35%	100.00%

The effective **contribution** term is calculated by taking the number of years between the regular **contribution** start date and the anniversary before the life assured's 85th birthday, subject to a minimum of five years and maximum of 45 years. For joint life cover, the age of the older life assured will be used on first death plans, and the younger life assured on last survivor plans.

## TWO YEAR COMMISSION TERM

Table 5 – Protect, fixed term regular contribution maximum initial commission calculation table (LC1 and CI1)

The minimum fixed term at commencement is five years. The maximum **initial period** is 24 months.

Term (years)	Initial Period (months)	Indemnity commission		Non-indemnity commission (%)
		Monthly contributions (%)	Yearly contributions (%)	
1	2	9.785	9.833	9.833
2	4	19.377	19.667	19.667
3	6	28.779	29.500	29.500
4	9	42.537	44.250	44.250
5	11	51.484	54.083	54.083
6	13	60.254	63.363	63.917
7	15	68.852	72.090	73.750
8	17	77.280	80.816	83.583
9	19	85.541	89.543	93.417
10	22	97.630	102.633	108.167
11	24	105.491	111.360	118.000
12	24	105.491	111.360	118.000

For lives below 70 attained at entry, the **commission term** is the number of complete years between the regular **contribution** start date and the **product** anniversary before the life assured's 75th birthday, subject to a maximum of 12 years. For lives aged 70 and above attained at entry, the **commission term** is five years. Joint life **products** are based on the older life.

Table 6 – Protect, rolling term and whole life regular contribution maximum initial commission calculation table (LC1, CI1 and LT1)

Term (years)	Initial period (months)	Indemnity commission		Non-indemnity commission (%)
		Monthly contributions (%)	Yearly contributions (%)	
5	4	13.793	14.000	14.000
6	5	17.157	17.500	17.500
7/8	6	20.487	21.000	21.000
9	7	23.784	24.500	24.500
10	8	27.049	28.000	28.000
11	9	30.281	31.500	31.500
12/13	10	33.481	35.000	35.000
14	11	36.650	38.500	38.500
15	12	39.787	42.000	42.000
16/17	13	42.893	45.106	45.500
18	14	45.968	48.212	49.000
19	15	49.013	51.318	52.500
20/21	16	52.028	54.424	56.000
22	17	55.013	57.530	59.500
23/24	18	57.968	60.636	63.000
25/26	19	60.894	63.743	66.500
27/30	20	63.791	66.849	70.000
31/34	21	66.659	69.955	73.500
35/38	22	69.499	73.061	77.000
39/42	23	72.311	76.167	80.500
43/45 max	24	75.095	79.273	84.000

The effective **contribution term** is calculated by taking the number of years between the regular **contribution** start date and the anniversary before the life assured's 85th birthday, subject to a minimum of five years and maximum of 45 years. For joint life cover, the age of the older life assured will be used on first death plans, and the younger life assured on last survivor plans.

- 6.2 On application by you for indemnity **commission** (and subject to our prior written consent) we will pay the total amount of initial **commission**, discounted at a rate set out in this remuneration guide, on acceptance by us of an **application** for a **product** or a **top-up** to a **product** and subject to the provisions relating to unearned **commission** (please refer to section 13). You cannot change the basis selected after issue of a **contribution slice**.
- 6.3 The indemnity **commission** payable is the same as the total amount you would receive on non-indemnity terms during the **initial period**, but we will discount back the **commission** payable at a rate of 1% compound a month, for the number of months before the date on which **commission** would normally have been paid. This rate may change for new business in the future.
- 6.4 We may vary or withdraw our agreement to pay indemnity **commission** without notice.
- 6.5 Indemnity **commission** will only be advanced in respect of such classes of contract as we may from time to time specify.
- 6.6 We may agree to pay initial **commission** at a higher rate than shown in this remuneration guide. This enhancement is known as **marketing allowance**. The rate applicable to your **account** will be notified to you in a supplementary letter to these **terms**.

## 7. REMUNERATION TRANSACTION DATES

- 7.1 This table is intended to give you a guide to when remuneration transactions are credited to your **account**.
- 7.2 Transactions may be credited to your **account** later than shown for operational reasons. Where the transaction date is not a **working day**, these will be credited on the next **working day**.
- 7.3 Transactions credited to your **account** will appear on your statement on your next payment date

Table 7 – timing of remuneration transactions

Remuneration type	Initial payment of regular contribution and payment of single contribution	Subsequent payments on regular contributions and fee options
Regular contribution initial non-indemnity commission	Upon increment commencement	For monthly <b>contributions</b> , <b>commission</b> is generated upon the collection of each <b>contribution</b> by direct debit. (Transactions are normally generated on the first Friday of the month.)
Regular contribution initial indemnity commission	Upon increment commencement	
Regular contribution renewal commission	Upon payment of the first <b>contribution</b> that falls outside the <b>initial period</b> . For annual <b>contributions</b> where there is an <b>initial period</b> remaining of less than 12 months, renewals will be paid proportionately, based on the number of months remaining outside the <b>initial period</b> .	For yearly <b>contributions</b> paid by cheque, transactions are generated after the payment of <b>contribution</b> . Payments for Protect will vary if the <b>client</b> has chosen a commencement date other than the first of the month.
Single contribution commission	Upon the receipt of the initial <b>contribution</b> and issue of the <b>product</b> , or receipt of any <b>top-up contribution</b> and issue of the <b>top-up</b> .	
Fund-based fee	The first payment is taken three months after we accept the request to add or amend the <b>fund-based fee</b> .	Annually on the anniversary of the first fee payment.
Adviser fund-based and adviser servicing fees	<b>Product</b> commenced on or before 27th of month. For monthly frequency, these are paid on 27th of the month in which the <b>product</b> commenced. For quarterly, the 27th of the second month after the plan commenced, for half-yearly, the fifth month after the <b>product</b> commenced, and for yearly, the eleventh month after the <b>product</b> commenced. <b>Product</b> commenced after 27th of month. For monthly frequency, these are paid on 27th of the following month after the <b>product</b> commenced. For quarterly, the 27th of the third month after the <b>product</b> commenced, for half-yearly, the sixth month after the <b>product</b> commenced, and for yearly, the twelfth month after the <b>product</b> commenced.	Paid on 27th of the month after anniversary of first fee payment according to frequency selected.
Adviser initial fees Regular contribution Single contribution	Upon <b>product</b> commencement, or increment commencement for percentage fees. Upon receipt of the initial <b>contribution</b> and issue of the <b>product</b> , or receipt of any <b>top-up contribution</b> and issue of the <b>top-up</b> .	Upon receipt of each <b>contribution</b> for the duration of the selected term.

## 8. PAYMENT ON CHANGE OF INTERMEDIARY

- 8.1 If we are notified or otherwise become aware that a **client** who has converted their **product** to Adviser Charging has moved to another financial adviser firm, we may require a new authorisation form from that client before we can facilitate the payment of adviser fees to the new financial adviser firm. If this is the case, we will not deduct any further adviser fees from their product until we receive the new authorisation form.
- 8.2 If the **product** has not converted to Adviser Charging, all existing commission payments to any previous Authorised Firm or Appointed Representative will be transferred on receipt of a client instruction. Please note if there is any unearned indemnity liability associated with the plan this will need to be accepted by the new Authorised Firm.
- 8.3 Where we receive an instruction from an Authorised Firm to transfer their business to another Authorised Firm all commission rights will be transferred to the new Authorised Firm from the previous Authorised Firm only along with any unearned indemnity liability as per 13.5 (d).

## 9. REGULAR CONTRIBUTION INCREASES, DECREASES AND CONTRIBUTION HOLIDAYS

- 9.1 The table below shows how **commission** is affected by regular **contribution** increases, decreases and **contribution** holidays.

Table 8 – Impact of changes to commissions



For **top-ups** to single **contributions** please refer to sections 4 and 6.

For the purposes of this table the original **contribution** and all **contribution** increases are known individually as **contribution slices**.

Commission type	New or increased regular contribution (where above previous highest level on product). Lump sum/transfer payments (pensions)	Contribution decreases and contribution holidays	Increase after a decrease
Regular contribution non indemnity and indemnity commission	<p><b>Protect</b> Commission will be calculated as if a new product has been taken out. This means that a new <b>initial period</b> will begin for that part of the increase above the previous highest <b>contribution</b> level and new initial <b>commission</b> will be paid for that part of the increase. The <b>commission</b> is based on a reducing term. For example, a <b>product</b> increased in year two of a 10-year <b>product</b> would give a nine-year term for the <b>contribution</b> increase.</p> <p><b>Pensions</b> Continues to be paid on the previous <b>contribution</b> level but no commission will generate on the increased proportion.</p>	Initial non-indemnity <b>commission</b> will stop on the suspended part of the <b>contribution</b> . Unearned initial <b>commission</b> will be clawed back on the suspended part of the <b>contribution</b> for any <b>contribution slice</b> still in the <b>initial period</b> . We will not extend the <b>initial period</b> if your <b>client</b> then starts to pay <b>contributions</b> again.	<p><b>Protect</b> Commission on any <b>contribution</b> increase under <b>Protect</b> is calculated as though a new policy is taken out regardless of any previous decrease in <b>contribution</b> level.</p> <p><b>Pensions</b> Where a product has a <b>contribution</b> increase after a decrease, we will use the new <b>contribution</b> to bring levels on existing <b>contribution</b> slices up to the previous highest level, starting with the earliest <b>contribution slice</b> and then taking each <b>contribution slice</b> in sequence.</p>
Regular contribution renewal commission	<p><b>Protect</b> Paid on increased <b>contributions</b> at end of the initial period.</p> <p><b>Pensions</b> Continues to be paid on the previous <b>contribution</b> level but no commission will generate on the increased proportion.</p>	Stops on suspended part on <b>contribution slices</b> outside the initial period.	<p><b>Protect</b> Resumes on restored portion of <b>contributions</b> where <b>contribution</b> slices are outside the initial period. Continues to be paid whilst <b>product</b> has a value.</p>
Fund-based fee/adviser servicing fees	Ceases to be paid.	Continues to be paid whilst <b>product</b> has a value.	Ceases to be paid.
Adviser initial fee percentage	Continues to be paid on the previous <b>contribution</b> level but no fee will generate on the increased proportion.	The fee payable reduces in line with the reduction in <b>contributions</b> . The fee stops if there is a <b>contribution</b> holiday.	Fees resume on restored proportion of premiums if still within the selected payment term. If outside the selected payment term, there is no payment of fees on the reinstated premiums.
Adviser initial fee monetary	N/A	Continues to be paid at the selected level, or 25% of the reduced <b>contribution</b> where this is lower for the remainder of the two year term.	Continues to be paid on the previous <b>contribution</b> level if still within two year period. However no fee will generate on the increased proportion.

Table 9 – Impact of changes to adviser fees

The table below shows how **adviser fees** are affected by regular **contribution** increases, decreases and **contribution** holidays.

Adviser charge	New or increased regular contribution (including increases after a decrease)	Contribution decreases and contribution holidays
Fund-based fees/adviser servicing fees	The fee will be paid at the rate requested on the increment application form.	Continues to be paid whilst the product has a value.
Adviser initial fee percentage (for regular contributions)		The fee payable reduces in line with the <b>contribution</b> reduction. The fee stops if there is a <b>contribution</b> holiday.
Adviser initial fee monetary	N/A	Continues to be paid at the selected level, or 25% of the reduced premium where this is lower for the remainder of the 2 year term.

## 10. COMMISSION PAYMENT TERMS

- 10.1 We will credit or pay **commission** on all **business** arranged by you or your **appointed representatives** and accepted by us, unless:
- you have irrevocably relinquished your right to the **commission** for that **business** in favour of another **authorised firm**, or another **authorised firm** has a valid claim to the **commission**
  - you are no longer servicing the **client** (see section 8), except where the **commission** represents deferred initial **commission** to which you are still entitled
  - a dispute arises between you and any **authorised firm** about any **commission**. In the event of a dispute we will have discretion to decide to whom **commission** will be payable
  - there is a **client** agreed **commission** arrangement in place and the **client** terminates the arrangement
  - in accordance with this remuneration guide, **commission** in respect of that **business** is no longer payable
  - that **commission** is no longer permitted under **FCA** rules; or
  - we terminate the **terms** with you for any reason.

## 11. TREATMENT OF REMUNERATION ON ARREARS AND CHANGE OF PLAN STATUS

- 11.1 Arrears processing is normally carried out on the 10th of each month. Clawback transactions generated on your account as a result of a **product** falling into arrears will appear on your next statement after this date.
- 11.2 Where the status of a **product** is changed, the clawback transaction is generated on your account on the following day and will appear on your next statement after this.
- 11.3 We will claw back all **commission** paid where the **client** exercises the right to cancel any **product** under the cooling-off provisions, or any **contributions** are refunded to the **client** as a result of a **client** complaint, or excess **contributions** being paid. We will not claw back any **adviser fees** that we have facilitated payment of.
- 11.4 All clawbacks are made from the **financial adviser** to which the **commission** was originally paid, unless **commission** rights have been ceded to another intermediary.
- 11.5 In the event of the death of a **client**, non-indemnity **commission** due for the remainder of the **initial period** will be calculated and paid as a discounted indemnity payment. There will be no clawback of unearned indemnity **commission** or recoverable **commission**. Payment of all other **commission** and fee types ceases.
- 11.6 The following tables give details of the treatment of **commission** where a **product** falls into arrears or lapses with no value, matures, is transferred (pensions), paid-up or is surrendered.

Table 10 – Regular contribution arrears, **product** lapsed with no value/matured/transferred/surrendered/paid up

	Protect	Pensions
Regular contribution non-indemnity commission	Payments cease.	
Regular contribution indemnity commission	We will claw back <b>commission</b> paid on indemnity terms but not yet earned, if your <b>client</b> stops <b>contributions</b> during the <b>initial period</b> . Unearned indemnity <b>commission</b> is clawed back after three consecutive missed monthly <b>contributions</b> , or three months after non-payment of an <b>annual contribution</b> .	
Regular contribution renewal commission	Payments cease.	
Adviser fund based fee Adviser servicing fee	N/A	Payments continue as long as plan has a value.
Adviser initial fee – percentage or monetary	N/A	Payments cease on options still within a selected payment term.

Table 11 — Single price series 6 commission-based pensions: recoverable commission (PP6, BB6, EP6, TI6)

11.7 This applies if the plan is lapsed, fully transferred or matured, so the **product** (in respect of that **contribution slice**) has no value. It does not apply to monthly **contributions**, and does not apply when the plan is paid-up.

Period in complete months from contribution payment to change of status (This is calculated separately on each annual or single contribution paid)	Amount of clawback
Less than 12 months	The lower of the amount of <b>commission</b> paid on the <b>contribution</b> or 3% of the <b>contribution</b> .
12 to 23 months inclusive	The lower of the amount of <b>commission</b> paid on the <b>contribution</b> or 2% of the <b>contribution</b> .
24 to 35 months inclusive	The lower of the amount of <b>commission</b> paid on the <b>contribution</b> or 1% of the <b>contribution</b> .
36 months or more	No clawback

11.8 Where waiver has been taken on a plan, the amount of clawback will never exceed the amount of **commission** paid.

## 12. TREATMENT OF REMUNERATION ON REINSTATEMENT OF REGULAR CONTRIBUTION PLANS

12.1 Reinstated **commission** on Protect will usually be paid to the introducing intermediary following full reinstatement and collection of outstanding **contributions**. All reinstatements will be processed on a nil commission basis.

Table 12 – Commission paid on reinstatement of Protect contributions

Full arrears paid Yes/No	
	<b>Regular contribution non-indemnity commission</b>
Yes	Payment of commission on missed contributions still within initial period, and payments resume for remainder of initial period.
No	Payments resume for remainder of initial period.
	<b>Regular contribution indemnity commission</b>
Yes	Full refund of clawed back commission.
No	Refund of commission based on remaining term of initial period. If outside initial period, no refund.
	<b>Regular contribution renewal commission</b>
Yes	Payments resume with back payment on missed contributions that were outside the initial period.
No	Payments resume if outside the initial period.

### 13. UNEARNED COMMISSION

- 13.1 Payment of **commission** is conditional upon it being earned. **Commission** will in whole or in part be deemed not to have been earned ('unearned commission'):
- (a) in the case of indemnity **commission**, in the event that:
- **contributions** cease (other than by death); or
  - the **contribution** reduces during an **initial period** (as explained in this remuneration guide); or
  - **contributions** are refunded to the **client** for any reason.
- (b) in the case of recoverable **commission** (other than on the death of the **client**), in the event that within three years of the **commission** being paid:
- the **client** fully transfers out of a **product**; or
  - a **product** matures; or
  - a **product** lapses; or
  - **contributions** are refunded to the **client** for any reason.
- 13.2 In such cases the unearned **commission** becomes repayable to us. Unearned **commission** will be calculated in accordance with these **terms**.
- 13.3 We will notify you as soon as practicable of any unearned **commission** by the entry of reversed **commission** on your statement.
- 13.4 We reserve the right to claw back unearned **commission** from any company, **person** or association of **persons** connected or associated with you.
- 13.5 You must not transfer any contingent liability to repay unearned **commission** without our written consent. Unearned **commission** will immediately become a debt to us and will be repayable to us on demand in the event that:
- (a) you purport to assign or transfer such contingent liability and we have not consented to any such assignment or transfer; or
- (b) you are a partnership and are dissolved for any reason or there is a change in your partners; or
- (c) you cease to trade for any reason; or
- (d) your **business** is transferred to any other **authorised firm**, and we do not consent to such assignment or transfer of your contingent liability to any **authorised firm** continuing your **business**.
- 13.6 Where we agree to the transfer or assignment of your contingent liability to repay unearned **commission**, we will pay all future **commission** due to you under these **terms** to the **authorised firm** accepting the contingent liability, provided that such **authorised firm** has accepted and agreed to these **terms**.

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