



Trusts Questions and Answers

Question 1

What is a Trust?

Answer 1

A trust is a means of making a gift whilst retaining some degree of control over the gifted property (assets), including whom it will go to, and when it will become available.

Question 2

How does a Trust affect my policy?

Answer 2

The policy benefits no longer belong to the Settlor, they belong to the Beneficiaries. Windsor does not have an obligation to ensure that the benefits are passed on, or used for the benefit of the Beneficiaries, but we do have an obligation to ensure that those with 'legal capacity' discharge the benefits.

This means that all trustees and policyholders must sign the discharge forms. The only exception being Trust forms that have a provision to allow only some of the trustees to sign. (Please note, this would generally relate to trust documentation individually drawn up by a solicitor, as opposed to the standard Absolute and Flexible Trust forms that we issue.)

Question 3

I wish to make changes to a policy currently held in 'Trust', what do I need to do?

Answer 3

This depends on the type of trust set up on the policy. If you contact our Client Services department we will be able to your policy records and confirm the requirements in writing.

Question 4

How do I go about setting up a Trust, or add Trustees to my policy?

Answer 4

Unfortunately we cannot give legal advice should you wish to set up a trust. In these circumstances it would be best for us to provide both the Flexible and Absolute forms for you to complete once you have decided which type of trust you require. If you are unsure of the type of trust you need, you should consider taking independent legal advice, which would be at your own expense.

It should be noted that trusts may only be set up on life policies that:

- Have not already been written in Trust under the Married Women's Property Act 1882.
- Have not been assigned to a trust.
- Have not been included in a Will that has created a trust.

To appoint an additional trustee, a Deed of Appointment form must be completed. This can either be done when the policy is originally placed in trust, or at a later date. Deeds of Appointment are available from our Client Services department.