



Key Features of the Windsor Life Investment & Protection Plan

keyfacts[®]

The Financial Services Authority is the independent financial services regulator. It requires us, Windsor Life, to give you this important information to help you decide whether our Investment & Protection Plan is right for you. You should read the document carefully so that you understand what you are buying, and then keep it safe for future reference.

With this document you will find a personal illustration showing the benefits included and how the plan may work for you. You should read your illustration with this document.



Key Features of the Windsor Life Investment & Protection Plan

Its aims

- To build up a cash lump sum at the end of the term. You can use this lump sum to pay off part or all of your mortgage.
- To provide a lump sum death benefit if you die or are diagnosed with a terminal illness during the term of the plan.
- To provide a lump sum disability benefit if you are diagnosed with a permanent disability before the age of 60, during the term of the policy.
- To automatically pay premiums for you under the waiver of premium option if you are unable to do so through disability.

Your commitment

- To agree to pay regular premiums for the agreed term of the policy.

Risks

- This policy is unit linked, which means it is linked to the value of investments held in fund(s) of your choice. If investment performance is worse than assumed, the benefits may be lower than shown on your illustration. We will review your policy regularly and may recommend that you consider increasing your premium as a result.
- We do not guarantee the charges we take off to cover the cost of providing benefits on death or disability and may review them at any time.
- Your circumstances may change forcing you to cash in the policy early; so you may receive back less than you have paid in.
- You may suffer from an illness or disability that the policy does not cover. In this case, we would not pay any benefit if you claimed.



Questions and answers

This section aims to answer some questions you may have about this policy. Where relevant, the answers will direct you to where you can find further information.

What is the Investment & Protection Plan?

- It is an endowment assurance policy designed specifically to provide a cash lump sum at the end of the term or during the term of the policy. We will pay out on death, diagnosis of a terminal illness or diagnosis of a permanent total disability (before age 60).
- It does this by investing your premiums into a fund or funds of your choice.
- The plan may be issued under either a single life or a joint life first death basis. 'Joint life first death' means that under a policy issued in the names of two lives assured, the death benefit is payable on the first of the lives to die. The disability, terminal illness and waiver of premium benefits are only available on a single life basis.
- The minimum term of the policy is 1 year and the maximum is 30 years. The policy must stop before the 75th birthday of the oldest life assured.
- The minimum age that a policy can be taken out is 18. The maximum age depends on the term of the policy, as the policy must end before the 75th birthday of the oldest life assured.
- The value of your policy depends on the value of the units it holds.
- We take charges out of the fund each month to pay for your death, terminal illness and disability benefits.
- The value of the benefit will be the basic sum assured or the value of units, whichever is greater. The policy will then stop.
- How much there may be in your fund at any time depends on fund performance and how much the death and disability benefits cost.

Will my plan work out exactly as in the example?

- It depends on how much your fund grows over the years. The illustration shows how it may work for you.
- Each year, at your policy anniversary we will notify you of the number of units held, the unit price and the value of units.

How often can I pay premiums, and how much can they be?

- You can pay premiums monthly or yearly by direct debit.



- If you use the policy to increase an existing policy the premiums must have the same frequency as the original.
- The minimum premium is £10 a month or £100 a year; there is no maximum.
- 100% of your premiums will be allocated to buy units.

Which funds can I invest in?

- Premiums will buy units in one or more of Windsor Life's investment funds.
- It is important to remember that the value of units can go down as well as up. Many funds invest in unit trusts on preferential terms with experienced and sizeable fund management groups.
- There are currently 14 funds to choose from. Please see the **Investment Funds** area of the **Further Information** section for a list of them. You should be aware that some funds have a higher risk associated with them than others.
- You may switch funds at any time. The first 4 switches in each policy year are free and after that, we currently charge £20 for each switch.

Will my premium change?

- We will review your policy regularly, at intervals of not greater than 5 years. If the fund built up is less than expected (for example, if expected future investment returns are lower than originally assumed, or if the past investment performance of the fund is lower than anticipated), then we may recommend that you consider increasing your premiums.
- If you do not follow our review recommendations then your policy may not provide the intended lump sum at maturity.
- Also, if we consider that the sum assured payable on death, terminal illness or disability cannot be supported by future premiums, then we may reduce the level of cover.

What if I stop paying premiums?

- If you stop paying premiums, then the policy will continue. We will continue to take charges out of the fund to pay for your death and disability benefits.
- If the fund reduces to the point where it is no longer possible to pay for the benefits, then the policy will stop without value.
- You may restart premiums at any time while the policy is still in force, subject to suitable evidence of continuing good health. If your policy is a qualifying policy, you must pay any missed premiums within 13 months. For more information about qualifying and non qualifying policies, please visit the Insurance Policyholder Taxation Manual at <http://www.hmrc.gov.uk/manuals/iptm>.



- If you take out this policy to pay off a mortgage, then we may be obliged to keep your mortgage lender informed if you stop paying premiums.

What about the charges?

- Each fund carries an annual management charge of 0.95%, which is taken from the value of the fund or funds.
- In addition, the funds bear their own investment expenses (including any fees charged by and rebates given by unit trust managers where applicable). The amount of the investment expenses varies by fund. These will increase the charge on the funds and the approximate range of charges are set out in the **Investment Expenses** area of the **Further Information** section.
- Units are allocated to the policy at the offer price on the date of receipt of premium. Units are sold at the bid price. There is currently no difference between the offer price and bid price.
- We make a monthly deduction to cover the cost of providing any of the benefits you have selected.

What benefits are available, and how much will I get if I claim?

Death and terminal illness benefit

- We will pay out the sum assured or the value of the fund, whichever is greater, on death or diagnosis of a terminal illness with less than 12 months to live.
- On payment of the first benefit the policy will then stop without further value.

Disability benefit

- If you are diagnosed with a permanent disability, before age 60, during the term of the plan; the policy will pay out the sum assured or value of units, whichever is greater. The policy will then stop without further value.

Waiver of premium

- We include this option automatically, unless we have to decline it for underwriting reasons. A small extra premium will be payable in return for which we will pay your premium after 6 months of disability, subject to the following conditions:
 - (i) you are unable to perform any occupation because of illness or injury; and
 - (ii) during the 12 months immediately before disability, you were working an average of at least 30 hours a week.
- We will waive premiums until whichever of the following occurs first:
 - (i) you return to work
 - (ii) the policy matures
 - (iii) your 60th birthday



(iv) the policy stops through a death, terminal illness or disability claim

You may only include waiver of premium before age 50.

Can I cash in the policy?

- You can cash in (surrender) the policy at any time. However, if you surrender your policy you may get back less than you paid in, particularly in the early years.
- If you cash the policy in you will receive the value of the units allocated to your policy at that time.
- If you take out this policy to pay off a mortgage, then we may be obliged to keep your mortgage lender informed if you cash in your policy early.

What about tax?

Fund taxation

- We will pay corporation tax on the income and realised capital gains, net of indexation, from the underlying investments. You will not need to pay any further tax if you are a basic rate taxpayer.

Personal taxation

- If you are a basic rate taxpayer, you will not have to pay any further tax unless this moves you into a higher tax band.
- If you are a higher or additional rate taxpayer and you cash in the policy within the first 10 years, then you may be liable for tax on any profit made. After 10 years, all benefits are tax-free, provided you have paid premiums in full throughout.

Inheritance tax

- The proceeds of policies not placed in trust may be liable to inheritance tax.

Please remember that tax rules and rates can change.

What happens if I lose touch with you?

- It is your responsibility to let us know where you live. We will make every effort to find you if you move away, but you should not rely on this.
- If we cannot contact you, we will not be able to:
 - tell you about changes in legislation;
 - give you statements about how your fund is performing; or
 - tell you what benefits are available to you.



Can I change my mind?

- After we accept your proposal we will send you your policy provisions, which will include a Cancellation Notice. If you decide you do not want the policy, you will have 30 days from the day you received your policy provisions to let us know. You can do this by writing to us or sending back the completed Cancellation Notice.
- We will refund any money you have paid free of any charges. See the section **Your right to change your mind** in the **Further Information** section for more details.



Key Features - Further Information

This section aims to give you more detailed information about the plan, in addition to the Questions and Answers section.

Type of policy

A qualifying unit-linked endowment assurance policy that is designed to allow you both protection benefits and targeted savings.

General

- We will only communicate with you in English.
- We do not offer financial advice, and all business you take out with us is on an execution only basis. (This means that you make your own decision and tell us what you want us to do after reading the information we send to you.)
- The law of England will apply to any disagreements about the policy.

Investment Funds

There are currently 14 funds to choose from, which we have listed below. You should be aware that some funds have a higher risk associated with them than others.

American: This fund invests in North American equities, with exposure to both large and small companies. The fund aims to provide long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

Balanced: This fund invests in UK Government issued fixed interest stocks (gilts) and directly held equities of FTSETM 100¹ UK companies. The fund aims to provide long-term capital growth.

Deposit: A UK fund investing in short-dated money market instruments and cash deposits with leading financial institutions. The aim of the fund is to provide capital protection with growth at short-term interest rates.

European: This fund invests in European equities, both in countries within the EURO zone and those outside, with the

aim of providing long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

Far East: This fund invests in unit trusts whose investments are in Japan and the Pacific Rim countries. The fund aims to provide long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

Index-Linked: A fund investing in UK Government index-linked stocks (index-linked gilts). The returns from index-linked treasury stocks are linked to the Retail Prices Index; however the returns from the Fund are linked to the underlying price of the stock, which can go down and well as up.

International: This fund invests in global equities, held both directly and via unit trusts, with the aim of providing long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

Japan: This fund invests in unit trusts whose investments are solely Japanese, with the aim of providing long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

Managed: A managed fund with the investments spread over all the major areas - equities (UK and foreign), gilts and other fixed interest stocks, property and cash deposits. The objective is to provide



steady long-term returns while safeguarding the fund against unnecessary risks.

Property: This fund invests in UK property, with exposure to all the main property and geographical sectors. The fund aims to provide long-term capital growth. Please note that you may not be able to switch or cash in your units in the Property fund immediately as the property may not always be readily saleable.

Special Situations: This fund invests in a mix of unit trusts and direct equities, investing in both UK and overseas equities. The aim of the fund is to provide long-term capital growth. Capital growth is less predictable because of the type of investment, the foreign content and exchange rate variations. This increases the risk of the actual investment returns being less than those assumed in your illustrations.

UK Equity: The fund invests in a wide range of UK equities, held via both unit trusts and direct equities, with the aim of providing long-term capital growth.

UK Equity Tracker: This fund aims to track the FTSE_{TM} 100 Index¹. It invests directly in the companies, which comprise the index, with the aim of providing long-term capital growth.

UK Fixed Interest: A managed fund investing in high-quality, sterling dominated fixed interest stocks. Although the income from fixed interest stocks is fixed, the price of the underlying assets can go down as well as up due to changes in interest rates.

Investment Expenses

The above funds bear their own investment expenses (including any fees charged by and rebates given by unit trust managers where applicable). The amount of the investment expenses varies by fund. These will increase the charge on the funds and the approximate range of charges are set out below:

• American	0.10% - 0.25%
• Balanced	0.00% - 0.10%
• Deposit	0.00% - 0.10%
• European	0.10% - 0.25%
• Far East	0.25% - 0.50%
• Index-Linked	0.00% - 0.10%
• International	0.10% - 0.25%
• Japan	0.10% - 0.25%
• Managed	0.10% - 0.25%
• Property	0.10% - 0.25%
• Special Situations	0.25% - 0.50%
• UK Equity	0.10% - 0.25%
• UK Equity Tracker	0.00% - 0.10%
• UK Fixed Interest	0.00% - 0.10%

These rates are determined by experience and therefore may vary in the future. In addition, Windsor Life reserves the right to vary these charges. The Windsor Life funds and corresponding unit prices are currently valued daily.

Compensation

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our responsibilities. The FSCS currently covers 90% of the total claim. You can get more information about compensation arrangements from the Financial Services Compensation Scheme.

Your right to change your mind

You have 30 days from the date you receive your policy provisions to let us know if you want to cancel your policy.

If you change your mind we will give you back your money. You will not receive more than you gave us.

Your cancellation notice will include full details of what to do if you change your mind. If you decide not to go ahead you can send the completed cancellation notice or a letter to Windsor Life, Windsor House, Telford Centre, TF3 4NB.

¹ FTSE_{TM}100 Index is a registered trademark of the London Stock Exchange plc and the Financial Times Limited.



Questions and complaints

For further information about or changes to your policy, please contact

Windsor Life
Customer Services Department
Windsor House
Telford Centre
TF3 4NB

Telephone: 0800 073 1777

If you want to complain about any part of the service you have received, please contact our Customer Services Department. We have a complaints

procedure and you can ask us for a copy of this.

If you are not happy with how we deal with your complaint, you can then complain to

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone 0845 - 0801800.

If you contact the Financial Ombudsman Service, or make a complaint, it will not affect your right to take legal action.

These Key Features (TP350 version 1.1 KF 02/11) are a guide to the product. They are based on Windsor Life's understanding of the current Law of England and HM Revenue & Customs practice as at February 2011. The statements made relate only to the packaged products of Windsor Life and its group of companies. Full details are contained in the policy document, which is a legally binding contract between you and Windsor Life.