

## Flexible Life Annuity Key Information Document ('KID')

### Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### Product

London & Colonial Assurance PCC Plc Flexible Life Annuity ('FLA')

#### Manufacturer

London & Colonial Assurance PCC Plc ('LCA')

Registered Office: Montagu Pavilion, 8-10 Queensway, Gibraltar GX11 1AA

Gibraltar Company Registration Number: 80650

LCA is a Gibraltar registered company and is incorporated under the Gibraltar Insurance Companies Act as a Protected Cell Company ('PCC'). LCA is regulated by the Gibraltar Financial Services Commission ('GFSC').

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KID Version: 01/05/2022

**YOU ARE ABOUT TO PURCHASE A PRODUCT THAT IS NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND.**

### What Is This Product?

#### Type

The London & Colonial Assurance PCC Plc Flexible Life Annuity ('FLA'/'Annuity') is a unit-linked purchased life annuity. The FLA is an annuity product which pays regular income payments based on the initial investment, the frequency of the required payments and your age. You bear the investment risk.

#### Objective

The FLA is designed to provide you with tax efficient regular income payments for life or until the assets in the portfolio of funds are exhausted.

The income payments can be taken monthly, quarterly, half-yearly or yearly.

The FLA allows flexibility to change the income payments once the Annuity is in place. Income is paid gross of any applicable taxes. At the outset of the policy LCA provides a statement which shows the annual tax exempt sum. Any income that you take in excess of this sum in any year will be taxable. Any unused tax exempt sums in any year can be carried over. Additional monies can be added to the Annuity at any time. LCA will then recalculate the new Annuity payment based on your age and the latest value of your Portfolio and will issue a new FLA Annuity Schedule.

Each Annuity policy ('Policy') is linked to a cell ('Cell') and the assets backing the Annuity are owned by the Cell and hence completely ring-fenced from all other policyholders' and shareholders' assets.

There are no death benefits payable; any monies held in the Annuity upon death, would remain in the Protected Cell ('Cell').

All investment income and gains on the assets held in the Cell are received gross of tax. HM Revenue & Customs may agree that part of your payment is a return of capital and therefore not subject to tax. Tax treatment will depend on your personal circumstances. Your Financial Adviser will be able to provide you with more information about your tax position. Tax rules may change.

#### Intended Retail Investor

The FLA is intended for individuals who are:

- Tax resident in the UK and are looking for a tax efficient investment option which provides regular income payments for life.
- Prepared to accept the risk of potential investment losses.
- Aged over 18. There is no upper age limit.

#### Insurance Benefits

The Policy continues to make income payments for life, subject to there being sufficient funds in your policy, and ceases upon your death when no further income payments will be made.

#### Maturity

The Policy does not have a maturity date. The Policy will terminate on your death or if there are insufficient funds left in the portfolio to make regular payments.

## What Are The Risks And What Could I Get In Return?

### Risk Indicator

LCA has classified the FLA product as having a risk range from 1 (the lowest risk class) to 7 (the highest risk class). The risks and the overall return depend on the amount you have invested, the performance of the underlying investments you or your Investment Adviser have chosen, related charges and any withdrawals that have been taken. The summary risk indicator for the underlying investments can be seen in the investment fund Key Information Document available from your Investment Adviser. Please familiarise yourself with this specific information and compare the risks and returns.

You and your Investment Adviser may select from a wide range of underlying investments. The summary risk indicator below only shows the possible range from the summary risk indicators of the underlying investments that are available in the Policy. Diversification across multiple investment types can create a summary risk score that is lower than the simple average score of the individual investments.

The performance of the Policy will be determined by the investment performance of the underlying investments after the charges paid for the investments and the Policy. More information on potential performance will be available from your Investment Adviser who should be able to discuss a specific illustration with you. Illustrations are only indicative and do not guarantee that the outcome would be achieved.

Lower Risk



Higher Risk

**Level 1** – rates the potential loss from future performance of the underlying investment options as very low, and poor market conditions are very unlikely to impact the investment manager's capacity to pay you. **Level 2** – low and very unlikely; **Level 3** – medium-low and unlikely; **Level 4** – medium and could; **Level 5** – medium-high and will likely; **Level 6** – high and are very likely; **Level 7** – very high and very likely.

## Performance Scenarios

The returns on your investment will be dependent upon which fund or funds you chose to invest in. Further details of the possible return for each investment can be obtained via your Investment Adviser.

## What Happens If LCA Is Unable To Pay Out?

The Financial Services Compensation Scheme provides compensation to customers of authorised financial services firms which are unable to satisfy claims against them.

Insurers registered outside the UK wishing to sell their products to UK residents are able to do so by passporting their products and services into the UK. LCA however is Gibraltar (British Overseas Territory) based and while it has passported into the UK under the appropriate legislation, FSCS cover still applies for UK residents as Gibraltar does not have a similar compensation scheme.

In the unlikely event that LCA were to default on claims under its policies, sales of its products conducted in the UK, to UK residents at the time the contract commenced, are covered by the 'protected contracts of insurance' part of the FSCS. Please see the FSCS website for full details: [www.fscs.org.uk](http://www.fscs.org.uk)

The Prudential Regulation Authority ('PRA') covers the eligibility – see here for some useful information:

<https://www.bankofengland.co.uk/prudential-regulation/authorisations/financial-services-compensation-scheme>

Detailed here is the PRA's latest list of eligible firms: <https://www.bankofengland.co.uk/>

## What Are The Costs?

The composition of costs takes into account one-off, ongoing and incidental costs. The costs shown are the potential range of costs of this product. Your actual costs will vary depending on the underlying investments selected. The person advising you on this Policy may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your Policy over time. Any other optional costs, for example fees payable to discretionary fund managers, have also not been included.

### Composition of costs

The table shows the breakdown of cost types for the Annuity. Your actual costs will vary depending on the underlying investments selected.

One-off costs	Entry costs	From 0.6% to 1.0%	The impact of the costs you pay when entering your investment
	Exit costs	From 0.0% to 0.0%	The impact of the costs of exiting your investment
Ongoing costs	Portfolio transaction costs	From 0.0% to 0.5%	The costs of buying and selling underlying investments for the policy
	Other ongoing costs	From 0.50% to 0.75%	The impact of the costs taken each year for managing and administering your product
Incidental costs	Performance fees	From 0.0% to 0.0%	The impact of performance fees charged where they exist
	Carried interests	From 0.0% to 0.0%	The impact of carried interest charges

## How Long Should I Keep My Investment and Can I Take Money Out Early?

The Policy has no required minimum holding period.

You can take money out of your Policy as regular income payments.

There is no encashment or surrender value, although it is possible to increase the Annuity payments to 100% of the outstanding portfolio (60 days' notice is required).

If you decide to take out the Policy, you will receive a Notice of Your Right to Cancel. You will then have 30 days from the date of this notice in which to change your mind.

If you invoke your right to cancel your Policy within the 30 days, you will get back the amount that you invested less any fall in the value of the underlying assets at the time LCA receives your notice to cancel.

LCA will not be able to refund any adviser fees that may have been deducted.

## How Can I Complain?

For further information, or if you wish to complain about any aspect of the service you have received from LCA, please contact:

### Managing Director

London & Colonial Assurance PCC Plc  
PO Box 575  
Montagu Pavilion  
8-10 Queensway  
Gibraltar  
GX11 1AA

Email: [LCA@stmgroup.online](mailto:LCA@stmgroup.online)

Should you remain unhappy with LCA's resolution of your complaint, you have a right to pursue your claim through the Gibraltar Courts.

## Other Relevant Information

Please read this Key Information Document in conjunction with the other important documents below available from your Financial Adviser:

- The Application Form for the FLA
- The FLA Annuity Schedule
- The FLA Standard Terms and Conditions
- The FLA Key Features document
- The FLA Personal Illustration
- Any Endorsement(s) to the FLA Annuity Schedule



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