LONDON & COLONIAL
INNOVATION IN PENSIONS

options
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Why choose London & Colonial Assurance PCC Plc?

About London & Colonial Assurance PCC Plc

London & Colonial Assurance PCC Plc ('LCA') is a Gibraltar based life insurance company operating out of Gibraltar's highly regulated and long established financial centre. LCA was established in 2001 as a public limited company and a life insurance provider.

LCA is licensed to write Class I - Life and annuity, Class III - Linked long-term assurance business, and VI - Capital redemption and was primarily established to provide an alternative to conventional annuities for high-net-worth individuals wishing to use their pension funds to purchase an annuity that provides greater flexibility for income and investment choice.

LCA is part of STM Group Plc ('the Group'), a multi-jurisdictional financial services group listed on AIM, a market operated by the London Stock Exchange. Established in 1989, the Group specialises in the administration of client assets in relation to retirement, estate and succession planning and wealth structuring. Today, STM Group Plc has operations in Australia, Gibraltar, Malta, Spain, and the UK.

The STM Group Plc has 205,000 customers in 126 countries. The Group administers in excess of 19,000 personal pensions, services over 182,000 members within UK Workplace Pension Schemes, 3,000 life assurance policies, and approximately 150 Group Pension Plans*.

** Based on the 2021 annual results.*

Why Gibraltar?

Gibraltar was chosen as it observes high standards of supervision and financial regulation and was the first EU jurisdiction to offer Protected Cell Company ('PCC') legislation (see details on PCC overleaf). This type of structure is available in many overseas jurisdictions but is not yet recognised under corporate law in the UK or EU member states.

LCA is subject to continuous regulation by the Gibraltar Financial Services Commission ('GFSC'), the regulatory authority for all financial services providers operating in and from Gibraltar.

In their country risk analysis published in August 2021, AM Best categorised Gibraltar's economic, political and financial risk as a CRT-1 country with a very low level of risks in all categories. Specifically, a CRT-1 country is defined as having a "predictable and transparent legal environment, legal system and business infrastructure; sophisticated financial system regulation with deep capital markets" and a "mature industry framework".

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Policyholder Protection

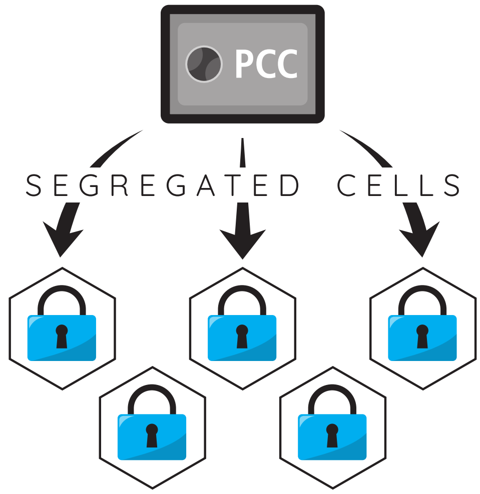
LCA markets two unit-linked annuities for UK tax residents, the Flexible Life Annuity and the Flexible Pension Annuity. Both annuities are covered by the Financial Services Compensation Scheme ('FSCS').

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

Protected Cell Company Legislation

Both annuity products currently marketed by LCA utilise the Protected Cell Companies ('PCC') structure as it affords a high level of policyholder protection. A PCC structure is subject to the provisions of specific Gibraltar PCC Law which was implemented in 2001 (Protected Cell Companies Act 2001).

In a PCC, legally recognised 'cells' are created within the company in order to segregate and protect each policyholder's assets from other policyholders and the company itself. This means that each individual policy is linked to a 'cell' and the assets backing the policy are owned by the 'cell' and hence completely legally ring-fenced from all other policyholders' and shareholders' assets. Put very simply, a PCC is a form of company comprised of individual parts, known as 'cells'.



What This Means For The LCA Annuity

For each client that purchases an LCA annuity, a unique 'cell' is opened with LCA. For more information on purchasing an LCA annuity, please see LCA's Purchase of Preference Shares document. Each 'cell' has its own designation (the policy number) and is completely independent of all other 'cells' and of the company's core. It is the Directors' duty to keep and account for the assets and liabilities of each 'cell' separately. The PCC legislation prohibits the assets of a 'cell' to be used to satisfy any liability not attributable to that 'cell'.

It is similar to a honeycomb where the cells are all individually protected within the beehive.

In the unlikely event that anything should happen to LCA, an individual's policy (and the assets within the policy) would remain secure from and untouched by any potential creditor. In other words, each 'cell' is ring-fenced from all other 'cells', providing 100% policyholder protection.

Please note: 100% policyholder protection does not apply to the ongoing valuation of the investment as the value of investments can fall as well as rise. All the assets that LCA purchases within each policy are legally and beneficially owned by LCA. The policyholder has purchased the rights to the value of these assets but the policyholder does not own the assets. LCA does not make investment decisions. LCA will only purchase or sell assets within any policy if LCA receives a written request 1) from the appointed investment adviser (associated to the specific policy) or 2) from the policyholder if there is no longer an appointed investment adviser.

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Gibraltar Company Registration Number: 80650
London & Colonial Assurance PCC Plc is a Gibraltar registered company, and is incorporated under the Gibraltar Insurance Companies Act as a Protected Cell Company. London & Colonial Assurance PCC Plc is regulated by The Gibraltar Financial Services Commission - Permission Number: 5191. Registered Office: Montagu Pavilion, 8-10 Queensway, Gibraltar, GX11 1AA

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