

KEY FEATURES HIGH START BONUS BUILDER PLAN

keyfacts

The Financial Services Authority is the independent financial services regulator. It requires us, LIC UK, to give you this important information to help you decide whether our **HIGH START BONUS BUILDER PLAN** is right for you. You should read this document carefully so that you understand what you are buying, and then keep it in a safe place for future reference.

This Key features Document is for a UK savings plan and is for use by residents ordinarily resident in the UK, Channel Islands or the Isle of Man.

Helping you decide!

This Key Features Document will give you information on the main features, benefits and risks of the **HIGH START BONUS BUILDER PLAN**.

You should read this document carefully so that you understand what you are buying, and keep it in a safe place for future reference. A personal illustration will be provided upon request to show you how much you may get back in the future and outline any associated costs and charges.

Your Key Features document and personal illustration should be read together so that you gain a clear understanding of the product, its features benefits and risks together with any associated costs and charges.

If you require any further information about the LIC UK **HIGH START BONUS BUILDER Plan**, or if you have any questions or queries, please call us **free on 0800 068 5712**.

We will clarify any queries you have about the features of the HIGH START BONUS BUILDER SAVINGS PLAN although we will NOT be able to advise you about its suitability for you.

Its aims

- To build up a cash lump sum over predetermined term of between 10, and 30 years.
- To provide guaranteed cash sum if you die during the savings period, or on maturity, assuming that all premium due have been paid.
- To provide the option of an additional benefit if your death is caused by an accident or you are permanently disabled as a result of the accident.

Your commitment

- You agree to make regular monthly or yearly contributions for an agreed savings period of at least 10 years (the term). The minimum contribution in the first five years is £50 monthly or £600 annually.
- Your basic monthly or annual contributions will be higher in the first 5 years of the Plan. This reduces to a half, (10 year Plan only), after 5 years. On plans of 11 years or more there are options to reduce the contributions by a third, a quarter or a fifth of your basic contribution paid in the first 5 years, the reduction being dependent upon the option selected at the start of your Plan.

Risk factors

- The growth achieved may be less than that shown in your personal illustration, which would mean that you would receive less than you had expected.
- Inflation will reduce the 'real value' of your savings, and what you could buy in the future, and the impact on the figures shown in the personalized illustrations provided before sale.
- If you stop contributing to the Plan within 2 years it will lapse without any value. If you stop contributing to your Plan after it has been in force for at least 2 years it will become fully paid up and the benefits will be reduced proportionately. Charges will however continue to be taken for as long as the policy remains in force.
- Our charges may turn out to be higher than shown in your personal illustration.
- If you cash in your plan within 10 years, or three quarters of the selected term if earlier, you may be liable to tax.

Warning:
If you cash your Plan before the end of the term, you may get back less than you have paid in.

If you are in any doubt as to whether this policy is suitable for your needs please contact your Financial Consultant.

An Example:

Based on a male aged 30 contributing £150.00 monthly over 15 years opting for the option of premium reducing to roughly 1/3rd after 5 years

If the investment grew at 3.5% a year, you could get back £18,900

If the investment grew at 5% a year, you could get back £21,000

If the investment grew at 6.5% a year, you could get back £23,900

These figures are only examples and are not guaranteed - they are not minimum or maximum amounts.

What you will get back depends on how your investment grows and on the tax treatment of the investment. You could get back more or less than this.

The above stated growth rates are in fact lower than those recommended by the FSA (namely 4%, 6% & 8% for lower, middle and higher rates of growth) and are considered more appropriate given the structure of LICU UK's with-profit fund. The figures provided are purely for illustration purposes and the projected returns will vary as these figures include deductions for firm specific charges.

Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

Questions and Answers

What is the High Start Bonus Builder Savings Plan?

- It is a “With-profits” endowment policy which allows you to save over an agreed period of at least ten years. You can also save for periods of 15, 20 and 25 years.
- Your contributions are pooled with that of other investors in the With- Profits fund, which invests in a wide range of investments including stocks and shares.
- The contributions in the first 5 years are higher and then reduce for subsequent years. This enables you to budget accordingly and is suitable for those people who expect their earnings to drop in the future.
- You must be aged between 18 and 59 years at the start of the Plan
- The minimum term of the Plan is 10 years and the maximum term is 25 years with a maximum age at maturity of less than 75 years.

Can my spouse/civil partner and I have a joint Plan?

- No, this is a single life Plan.

What is payable at the end of the savings period?

- The High Start Bonus Builder Savings Plan provides a Guaranteed Cash amount at the end of the savings period.
- You may also receive a share of the profits of LICl UK’s With-Profits fund in the form of bonuses.
- Bonuses may be added every year and an additional bonus may be added on maturity or earlier death subject to the provisions in Section 13 of the Policy Document, a copy of which is available on request.
- Bonuses depend on investment performance and are not guaranteed.

What if I die during the term?

- If you die during the term of the Plan, the Guaranteed Cash Amount together with any bonuses already added will be paid to your estate and may be subject to inheritance tax.

What if my death is caused by an accident?

- If you choose the Accident Benefit at the outset of your Plan, an additional benefit is paid if an accident causes your death or permanent disability.

What is the additional benefit?

- If your death is caused by an accident within 120 days of the accident happening, then provided contributions have been maintained and at the time you are under age 74 years, an amount equal to the Guaranteed Cash Amount is payable in addition to the Guaranteed Cash Amount.
- If the accident causes total and permanent disability, we will pay you an amount equal to the Guaranteed Cash Amount in monthly installments spread over 10 years. We will waive payment of further contributions. If you die before the end of the 10 years, we will pay the balance of the disability benefit together with the death benefit.
- The maximum additional amount that can be paid out as Accident Benefit on all Plans for any one individual is £25,000.

- The circumstances in which such additional benefit may not be payable are covered in Section 12 of the Policy Document, a copy of which is available on request.

How are contributions made?

- Contributions are made monthly or yearly by direct debit.

What about your charges?

- Deductions used in your personal illustration are our best estimates based on current experience. They could, however, vary in the future.

What about tax?

- Tax is paid on income and capital gains from within the Plan equivalent to basic rate tax.
- Death, maturity or surrender of the Plan gives rise to a chargeable event and you may incur a tax liability.
- Unless subject to a trust, the amount payable on death is added to the value of your estate for inheritance tax purposes.
- If you are in any doubt about your tax position, we recommend that you seek appropriate advice

Can I cash in the Plan early?

- Yes, you can cash in your Plan whenever you like, but if you cash in early the amount you will get back is not guaranteed and may be less than you have contributed.
- If you've paid contributions for less than 2 years, the Plan will lapse with no value.

An Example

Based on an example of a **male aged 30 contributing £150.00 per month over 15 years**, selecting the option to reduce the contribution to roughly one-third of the original from year 6 onwards the table below shows the amount you are likely to get back.

WARNING
 If you cash in during the earlier years, you could get back less than you have paid in the early years

The early years			
At the end of year	Total paid in to date £	Total Actual Deductions to Date (£)	Effect of Deductions to Date (£)
1	1,800	1,840	0
2	3,600	1,020	2,750
3	5,400	1,240	4,570
4	7,200	1,480	6,470
5	9,000	1,750	8,450
The later years			
10	12,133.00	3,050	13,300
15	15,266.00	3,910	20,400

What are the deductions for?

- The deductions include the cost of life cover, expenses incurred in administering the plan, charges, any surrender penalties and other adjustments.
- The last line in the table shows that over the full term of the policy the effect of total deductions could amount to £3,190.
- Putting it another way, leaving out the cost of life cover this would have the same effect as bringing investment growth from 5% a year down to 3.4% a year.

Who manages the fund?

- Currently **Investec Wealth & Investment Limited** is managing the funds under the guidance of LICI UK.

Can I change my mind?

- After your proposal is accepted, you will receive a notice of your legal right to cancel. You then have 30 days from receipt in which you can change your mind. If you wish to cancel, you must return the Cancellation Notice to the address given on the form and you will receive back in full any contributions you have made. If we do not receive a Cancellation Notice your Plan will continue.

Further Information

Terms and Conditions

- This Key Features document only gives a summary of the terms and conditions of your savings plan. If you wish you can request for a copy of the full terms and conditions of this plan.

Can I transfer the Plan to India?

- It depends on the foreign exchange regulations in India and the UK at the time of the transfer. Currently it can be transferred.

Can I keep my Plan in the UK if I move to India?

- It depends on the foreign exchange regulations in India and the UK at the time of the transfer.
- Currently an Indian national under certain circumstances can keep the Plan in the UK by arranging to make contributions in Sterling from funds outside India.

Principles and Practices of Financial Management (PPFM)

The High Start Bonus Builder Savings Plan is invested in our With-Profits Fund.

For your information we are able to provide you with a copy of our PPFM, the objective of which is to enable our existing and potential With-Profits policy holders to better understand how With-Profits works and what to expect from With-Profits policies. Should you require a copy please visit: <http://www.liciuk.com/c1/topnavpages/aboutuspages/principles>

Complaints

If you are not satisfied with what we do for you, please let us know by writing to **LICI UK, 10th Floor, York House, Wembley, Middlesex HA9 0PX.**

If you prefer, you can telephone our Customer Helpline on **0800 068 5712 (Freephone)** or email us at **customer.service@liciu.com.**

We aim to deal promptly and fairly with all complaints. If you are not happy with the outcome you may be able to refer to the **Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR** about this if you need it. Copies of our complaints handling procedures are available on request. This will not affect your legal rights.

Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for maximum compensation of **£50,000**. You can find more about the Financial Services Compensation Scheme, including eligibility to claim by visiting its website www.fscs.org.uk or calling them on **0800 678 11 00**.

Law

If any legal dispute arises the Law of England and Wales will apply.

This document is based on our understanding of current law and HM Revenue and Customs practice.

Full details are contained in the policy document which is the legally binding contract between you and the Life Insurance Corporation of India. The Life Insurance Corporation of India is authorized and regulated by **the Financial Services Authority**.

Language

The English language will be used in all documents and future correspondence.

How to contact us.

If you have any queries please call our Customer Services Helpline on **0800 0685712** (free phone). Our lines are open from 9 am to 5 pm Monday to Friday. Alternatively you can email us at : **customer.service@liciu.com.**

We would like to make you aware that calls may be recorded and monitored.

Office Address: LICIUUK, 10th Floor, York House, Empire Way, Wembley, Middlesex HA9 0PX.

The Life Insurance Corporation of India is authorized and regulated by the Financial Services Authority (FSA), entered on the FSA Register, registration number 110379.