

Key Information Document (KID) – High Start Bonus Builder Savings Plan (20)

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

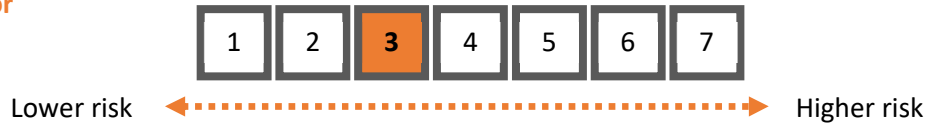
The 'High Start Bonus Builder Savings Plan' is manufactured by LIC UK. Visit <https://www.liciuk.com/> or call 0800 068 5712 for more information. The Financial Conduct Authority (FCA) is the competent authority of Life Insurance Corporation of India. This KID was produced on 17 April 2019.

What is this product?

<p>Type</p> <p>The 'High Start Bonus Builder Savings Plan' is a "with-profits" endowment policy which allows you to make regular contributions with a minimum of £50 monthly, or £600 yearly, and a maximum of £300 monthly, or £3,600 yearly, for the first 5 years, after which there is the option for your monthly or annual contributions to reduce for the remainder of the term (minimum savings period of 10 years). The reduction could be either a fifth, quarter, third or half of your original contribution.</p>
<p>Objectives</p> <ul style="list-style-type: none"> • It aims to provide a guaranteed cash sum if you die in the savings period, or on maturity assuming that all premiums due have been paid, and enables you to budget accordingly. • It also provides the option of an additional benefit if your death is caused by an accident, or you are permanently disabled as a result of an accident. • You may also receive a share of the profits of LIC UK's with-profits fund, achieved by investing pooled contributions with those of other investors in a wide range of investments including stocks and shares. • The bonuses received from the with-profits fund will depend on the investment performance, and are not guaranteed. However once awarded, they will not be taken away.
<p>Intended investor</p> <ul style="list-style-type: none"> • Suitable for those who expect their earnings to drop in the future, with at least a 10 year term investment horizon, with little tolerance to risk. • You must be aged between 18 and 59 years at the start of the plan.
<p>Insurance benefits</p> <ul style="list-style-type: none"> • No extra benefit other than the guaranteed cash amount plus any bonuses to date. • If you choose the Accident Benefit at the outset of your plan, an additional benefit is paid if an accident causes your death within 120 days of the accident happening, provided contributions have been maintained and you are under age 74 years, or if the accident causes permanent disability the Accident Benefit amount is payable in monthly instalments spread over 10 years. The maximum additional amount that can be paid out as Accident Benefit is £25,000.
<p>Further information</p> <ul style="list-style-type: none"> • The maturity date is agreed at the start of your plan, with a predetermined term of 10, 15, 20 or 25 years, and a maximum age at maturity of 74 years. • The plan is a non-qualifying policy, which means higher and additional tax payers will have a tax liability on the gains made from this investment. • LIC UK is not entitled to unilaterally terminate this product unless you stop contributions within 2 years, in which case the policy will lapse without value or you have misrepresented the facts provided to us. If after 2 years you stop contributing to your plan or cash it in, then the amount you might get back is not guaranteed and may be less than you have contributed.

What are the risks and what could I get in return?

Risk Indicator



The risk indicator assumes you keep the product for 20 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions could impact the capacity of LIC UK to pay you. You are guaranteed a cash sum, plus any bonuses to date, if you die during the savings period, or on maturity, assuming that all premiums due have been paid. If LIC UK is not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

This table shows the money you could get back over the next 20 years, under different scenarios, assuming that you invest £1,000 per annum. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself, and includes the LIC distribution costs. The figures do not take into account your personal tax situation or the Accident Benefit, which may also affect how much you get back. Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

Investment: £998.29 * p.a. Insurance premium: £1.71		1 year	10 years	20 years
Stress scenario	What you might get back after costs (£)	£0	£4,445	£11,401
	Average return each year (%)	-100.0%	-8.4%	-0.8%
Unfavourable scenario	What you might get back after costs (£)	£0	£6,304	£13,539
	Average return each year (%)	-100.0%	-2.8%	0.7%
Moderate scenario	What you might get back after costs (£)	£0	£6,957	£15,648
	Average return each year (%)	-100.0%	-1.2%	1.8%
Favourable scenario	What you might get back after costs (£)	£0	£7,688	£18,100
	Average return each year (%)	-100.0%	0.4%	3.0%

* for the first 5 years and then halving thereafter

What happens if LIC UK is unable to pay out?

If we are unable to pay you what you are owed under the policy terms, then you may be able to reclaim some of your investment through the Financial Services Compensation scheme. The details are available at <https://www.fscs.org.uk/what-we-cover/>. There are no limitations or conditions attached to this scheme.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods under the moderate scenario. They include potential early exit penalties. The figures assume you invest £1,000 per annum. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product 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 investment over time.

Investment: £1,000 p.a. If you cash in after...	1 year	10 years	20 years
Total Costs (£)	£1,048	£3,227	£7,211
Impact on return (RIY) per year (%)	104.8%	6.0%	3.0%

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One – off costs	Entry costs	0.82%	The impact of the costs you pay when entering your investment.
	Exit costs	Nil	This product does not charge any costs upon exit.
Ongoing costs	Portfolio transaction costs	0.06%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.11%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	Nil	This product does not charge any performance fees.
	Carried interests	Nil	This product does not charge any carried interests.

How long should I hold it and can I take money out early?

Recommended holding period: 20 years

The recommended holding period has been selected to enable investors to benefit from long term growth whilst avoiding short term volatility.

You can cash in your plan whenever you like, but if you cash in early the amount you receive 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. You may also incur tax liability on early encashments.

How can I complain?

If you are not satisfied with what we do for you, please let us know by writing to LIC UK, 1st Floor, Victoria House, 49 Clarendon Road, Watford, WD17 1HP. If you prefer, you can telephone our Customer Helpline on 0800 068 5712 (Freephone) or email us at customer.service@liciuk.com. If you are not happy with the outcome you may be able to refer to the Financial Ombudsman Service at <https://www.financial-ombudsman.org.uk/> about this if you need it. You also have the right to cancel within 30 days.

Other relevant information

Additional information about the product and policy conditions can be found in our terms and conditions document. You may also refer to how we manage our with-profits business at <https://www.liciuk.com/about-us/principles-and-practices/>.