

## What

- Outlines the Key Features and terms and conditions of our 50+ Life Cover policy

## Why

- To give you all the information you need to make an informed decision
- To help explain the 50+ Life Cover policy - how it works, its aims, terms and conditions
- You should read it carefully. If you have any questions, we will be pleased to help you

Key Features

The Financial Services Authority is the independent financial services regulator. It requires us, Foresters Friendly Society, to give you this important information to help you to decide whether our 50+ Life Cover policy is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

## Foresters Friendly Society 50+ Life Cover Key Features

Information, including a copy of these Key Features is available in large print, audio and Braille upon request.

### Its Aims

Foresters Friendly Society 50+ Life Cover policy aims to provide:

- Your chosen basic sum assured if you die after the policy has been going for two years.
- The basic sum assured if you die in the first two years as the result of an accident.
- A return of the premiums paid if you die from a non accidental cause in the first two years.
- The addition of with profits bonuses to the basic sum assured.

### Your Commitment

- To agree to pay the regular monthly premium you choose at the outset of the policy, for the rest of your life.
- The minimum you can pay is £10 per month, the maximum you can pay is £30 per month.
- You can commence a 50+ Life Cover policy provided you are aged 50 to 80 years.
- You cannot cash in the policy in the first two years, although you can stop paying premiums.

### Risk Factors

- Bonuses will depend on the future investment performance of the with profits fund, as well as any deductions and how Foresters Friendly Society decide to distribute any profit.
- The addition of bonuses is not guaranteed and therefore it is possible that the 50+ Life Cover policy might not receive any annual and/or terminal bonus from the with profits fund.
- The sum payable on death will depend upon the bonuses added during the term of the policy.

- Your circumstances may change, forcing you to stop paying premiums for example, after you retire you may not be able to afford the premiums. If this happens the life cover benefit will end or be greatly reduced and you may not get back as much as you have paid in.
- This is **not** a funeral plan. There is no guarantee that the benefit paid will cover the cost of a funeral.
- Depending on how long you live, the total premiums paid may be greater than the amount payable on death and you must continue to pay premiums to maintain the cover.

## Your Questions Answered

### What is the 50+ Life Cover policy?

The 50+ Life Cover policy is a with profits whole of life policy under which the basic sum assured, plus all bonuses added, is payable upon the death of the life assured to the estate of the deceased or up to £5,000 is paid to a nominated beneficiary.

### Who can have a 50+ Life Cover policy?

As long as you are aged between 50 and 80, you are eligible to take advantage of the benefits of the 50+ Life Cover policy.

### Does everyone pay the same monthly premiums?

The monthly premiums you pay depend upon your age and sex at the start and the amount of cover you require.

### What will my policy cost?

Your Application Form provides a selection of monthly premiums and basic sums assured and a rate table is enclosed.

### An example (male) of how the 50+ Life Cover policy could work out:

The example shown is for a man aged 55 on commencement of the 50+ Life Cover policy and assumes that monthly premiums of £25 are received until the man reaches age 75. His basic sum assured would be £6,344.

What might the policy pay out at age 75	If cashed in?	On death?
If investments grew at 4% a year the amount payable would be	£4,380	£9,420
If investments grew at 6% a year the amount payable would be	£5,570	£11,400
If investments grew at 8% a year the amount payable would be	£6,990	£13,900

- These figures are only examples and are not guaranteed. They are not minimum or maximum amounts. What will be paid depends on how your investments grow, when death occurs and on the tax treatment of your investment.
- You could get back more or less than this. The absolute guarantee is that the amount paid on death after two years or on death by accident at any time will be at least the basic sum assured.
- All Friendly Societies use the same rates of growth for projections but their charges vary.
- Do not forget that inflation will reduce what you could buy in the future with the amounts shown.
- The amount paid on death may be subject to Inheritance Tax. Tax rules may change in the future.

### What happens on early encashment?

**WARNING** - If you cash in during the early years you will be unlikely to get back as much as you have paid in.

The last two columns assume that investments will grow at 6%.

#### The Early Years

At end of year	Total paid in to date	Effect of deductions to date	What you might get back
1	£300	£309	£0
2	£600	£637	£0
3	£900	£319	£666
4	£1,200	£464	£890
5	£1,500	£623	£1,120

#### The Later Years

At end of year	Total paid in to date	Effect of deductions to date	What you might get back
10	£3,000	£1,670	£2,400
20	£6,000	£5,810	£5,570

### What are the deductions for?

- The deductions include the cost of life cover, expenses, charges, any surrender penalties and other adjustments.
- The charges, expenses and other deductions used in this guide are best estimates based on current experience. They could vary in future.
- The bottom line in the table shows that over the term shown the effect of the total deductions could amount to £5,810.

- Putting it another way, leaving out the cost of life cover, this would have the same effect as bringing investment growth from 6% a year down to 4.5% a year.

### Will my policy work out exactly as in the examples?

The examples are a guide for the age and sex shown. The full value of your policy at death will depend on what bonuses may have been added. The addition of bonuses is not guaranteed and it is possible that no annual and/or terminal bonus will be paid from the with profits fund.

### What about the life cover?

Provided you maintain the premiums, and assuming there are no errors in the information you have given to Foresters Friendly Society, the basic sum assured plus bonuses to date will be paid on death due to any cause after two years, or on death due to accident in the first two years. In the first two years the benefit on death from causes other than accident is limited to the sum of the premiums paid plus bonuses to date.

### Why is life cover limited to accidental death for two years?

Because there are no medical questions or examinations, this is necessary to protect the interest of the majority of policyholders.

### Are there any policy restrictions which would result in non payment of the benefit?

Yes, in the first two years of cover the policy will only pay out the benefit if you die as a result of an accident. There are restrictions on the payment of this accidental death benefit. It will not pay out where death is caused directly or indirectly by:

- Intentional self inflicted injury.
- The taking of drugs or alcohol or poisonous substances including the inhalation of gases or fumes.
- Active participation in any criminal act.
- Active participation in any riot, civil commotion, insurrection or war (whether war has been declared or not) or any incident thereto.
- Engaging in any form of racing (including time trials).
- Participation in any form of aviation other than as a passenger on a regular fare paying airline.
- Any accident incurred while the life assured is resident outside the United Kingdom.
- Illness or disease of any kind.

Please note that if death results from any of the above in the first two years you will receive only the premiums paid.

**Can I choose who my beneficiary is?**

Yes, you will find a beneficiary nomination form on your Application Form. The nominated beneficiary can claim the policy benefit up to £5,000 without waiting for probate. Any excess would become part of your remaining estate and have to wait for probate.

**Where is the money invested?**

Any money paid into the 50+ Life Cover policy is invested in Foresters Friendly Society's with profits fund. By spreading the money paid into the fund across a number of different types of investments you benefit from the exposure to a range of asset classes which may include stocks and shares, property and cash. A further advantage of this approach is that if the return of any one particular asset type is very poor, your investment may be protected from the full impact of this fall as the other assets forming part of the overall investment may perform better than this asset. Thus the fall in value of one asset class (e.g. shares) may be cushioned by the potential better performance in another asset class (e.g. property). Further details are available in the enclosed document entitled 'How you share in the profits of Foresters Friendly Society'.

**Can I use this as a savings plan?**

The 50+ Life Cover policy is designed to provide life assurance cover so it is not suitable as a savings plan. A Bank or Building Society account has greater certainty of growth than the Foresters Friendly Society 50+ Life Cover policy. The addition of bonuses is not guaranteed and therefore it is possible that the 50+ Life Cover policy might not receive any annual and/or terminal bonus from the with profits fund. Also a Bank or Building Society account allows ready access to funds whereas the Foresters Friendly Society 50+ Life Cover policy does not allow access to the funds until the death of the life assured or, if the policy is cash surrendered. In the case of a cash surrender the value would be for an amount that would be considerably less than the full value of the policy if death occurred at that time.

**How does money in the fund grow?**

Depending on how the underlying assets in the fund perform, and expenses incurred, at the end of each year we aim to declare an annual bonus. In addition, when your Foresters Friendly Society 50+ Life Cover policy is eventually claimed upon we may add a final bonus depending on the overall investment growth that has been achieved and expenses incurred. The addition of bonuses is not guaranteed and it is possible that no annual and/or terminal bonus will be paid from the with profits fund.

**What happens if I stop paying my premiums?**

The life cover will cease immediately. During the first two years your policy has no cash in value. After two years you can cash in your policy, but the value on it is unlikely to be as much as you have paid in. Alternatively, after two years, you can apply for a paid-up policy with reduced benefits.

## Further Information

### Cancellation Rights

After your application is accepted you will receive a statutory notice of your right to cancel. You will then have 30 days from the commencement date of the policy, or the date the notice is received whichever is later, in which to change your mind. If you choose to change your mind a full refund of all monies paid will be made. You can do this by completing and returning the cancellation form to us at Foresters Friendly Society, Foresters House, 29-33 Shirley Road, Southampton SO15 3EW.

### Advice

We do not offer advice. You should contact an Independent Financial Adviser if you have any doubts about the policy's suitability. You may have to pay a fee for this advice.

### Premiums

Premiums are payable by monthly Direct Debit. Missed premiums could mean that your policy would lapse with no life cover or cash in value.

### Bonuses

Bonuses calculated on the basis of the profits within the fund may be added to the policy each year. The bonus rate is decided by Foresters Friendly Society Committee of Management acting on the advice of Foresters Friendly Society Appointed Actuary. The addition of bonuses is not guaranteed and it is possible that no annual and/or terminal bonus will be paid from the with profits fund.

### How you share in the profits of Foresters

The enclosed brochure 'How you share in the profits of Foresters Friendly Society', gives detailed information about bonuses, charges and investments of the fund.

### Tax

The fund in which your premiums are invested is taxed on growth but these taxes are paid by Foresters Friendly Society. Any money paid as a result of a claim on the policy will be free of basic rate income tax. There may be a charge to income tax if the receipt of any money from the policy, including any chargeable gain under the policy, makes you liable for the higher rate of income tax. The payment on death may be subject to Inheritance Tax. Tax legislation may be changed in the future. There is the possibility that a tax might be levied on you in respect of this policy which is not payable through us.

### Paid-up values

If you stop paying premiums after two years you can make the policy paid-up. The basic sum assured and bonuses already added will be reduced. Bonuses may continue to be added, but will be calculated according to the reduced basic sum assured.

### Law

The law applicable to the formation and performance of this policy is the law of England and Wales. The language of the policy is English. We will communicate with you in English. Our head office is in the United Kingdom.

### Legislation

All or any of the benefits, the premium or the Policy Conditions may be adjusted as deemed appropriate:

- If there is any change in law or taxation affecting the policy.
- If any levy is imposed on Foresters Friendly Society under statute or statutory authority.

Notice would be given of any such adjustment.

### Queries and Complaints

For further information or queries on Foresters Friendly Society products or services please contact the 'Member Support Department', by Tel: 0800 783 4162, email: [membersupport@forestersfriendlysociety.co.uk](mailto:membersupport@forestersfriendlysociety.co.uk) or at the address at the back of this document. Or, if you wish to complain about any aspect of the service you have received, please contact Foresters Friendly Society. If a complaint is not dealt with to your satisfaction you can then complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Tel: 0845 080 1800. Making a complaint will not prejudice your right to take legal proceedings.

### Compensation

The Financial Services Compensation Scheme covers this policy. You may qualify for compensation from the Financial Services Compensation Scheme if we are unable to meet our obligations. You can get further information from us or from the Financial Services Compensation Scheme.

### Client Categorisation

We are required under the Financial Services Authority (FSA) rules to categorise our clients/members. All of our clients/members are categorised as 'Retail Clients', which affords our clients/members the highest level of protection under the FSA Rules.

## How to get in touch

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Information, including a copy of this Key Features document, is available in large print, audio and Braille upon request.

Foresters Friendly Society is the trading name of The Ancient Order of Foresters Friendly Society Limited.

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Foresters Friendly Society is an incorporated branch society registered in the United Kingdom.