

## Key Features

### Introduction

You should read this document carefully as it provides a summary of the main points about Paragon. Before applying for a policy you should consult your financial adviser and also read the rest of the literature suite in full, including the:

- *Brochure*
- *Investment Guide*
- Personal Illustration

You should keep all these documents in a safe place.

Once you have successfully applied for your policy, you will be given a Policy Schedule and *Terms and Conditions*, which you should also keep safely.

You can request a copy of the *Terms and Conditions* at any time.

### Availability

- Paragon is not available to residents of the USA. Certain restrictions may apply to residents of other countries – please ask your financial adviser for details.

### Its aims

- Your Paragon policy will give you the opportunity to invest regular premium payments over the medium to long term with the aim of increasing the value of your investment.
- Your Paragon policy will allow you to link to a wide range of different funds, with the flexibility to switch between those funds at any time.
- To give you the option of taking regular and one-off withdrawals after the first 5 years.

### Your commitment

- You agree to make regular premium payments subject to the minimum levels. Details of these can be found in the “How much can I invest?” section on page 2.
- You should view your policy as being a medium to long term investment.

### Risk factors

- Investment growth may be lower than that assumed on your Personal Illustration and as a result the value of your policy may be lower.
- Charges may be higher than those shown in your Personal Illustration. For example, premium payment charges may change, or switch charges may be imposed at a later date.
- Where the provider of a fund linked to your policy becomes insolvent or is unable to meet its liabilities for any reason, your policy will suffer the loss.
- If you take withdrawals that exceed the growth in your policy, the value of your investment will be reduced.
- During the early years, charges deducted from your policy may mean that in the first few years you are unlikely to get back as much as you have paid in. Please refer to the “What are the charges on my Paragon policy?” section on page 4 for further details.
- The value of your investments can go down as well as up and is not guaranteed. Where you are investing in funds denominated in a currency different to that of your Paragon policy, the investment returns may be subject to currency fluctuation risk.
- Changes to the law may affect the tax treatment of your Paragon policy or the funds linked to it and reduce the amount you get back in the future.
- Your policy does not protect you from the effects of inflation which will reduce the purchasing power of your investment over time.

## Questions and answers

### Q What is Paragon?

**A** Paragon is an offshore regular premium savings policy issued in the Isle of Man by RL360 Insurance Company Limited (RL360<sup>o</sup>). To provide flexibility you may divide your investment up to a maximum of 100 identical segments with a specified premium payment term. The minimum investment per segment is GBP25/EUR38/USD50.

### Q How can I set up my Paragon policy?

**A** Individuals, companies or trustees can apply for Paragon provided they are not subject to any legislation which prohibits this type of investment.

Individual applicants aged 18 or over can apply on a single or joint ownership basis (i.e. husband and wife), however the lives assured can be different to the applicants if required.

There is no maximum age for individual applicants provided that the youngest life assured is no older than 65 years of age when the policy is issued.

### Q How much can I invest?

**A** The minimum investment into Paragon is as follows:

Regular premiums				
Policy currency	Monthly	Quarterly	Half yearly	Yearly
GBP	100	300	600	1,000
EUR	150	450	900	1,500
USD	200	600	1,200	2,000

The minimum premium that can be invested per fund is as follows:

Regular premiums				
Policy currency	Monthly	Quarterly	Half yearly	Yearly
GBP	25	25	25	25
EUR	38	38	38	38
USD	50	50	50	50

### Q Can I amend my premiums?

**A** You can make additional single premium injections at any time subject to a minimum of GBP1,500/EUR2,250/USD3,000.

You can increase your premiums at any time on request. Each premium increase will be subject to its own establishment period. Please refer to the "What are the charges on my Paragon policy?" section on page 4 for further details.

There is no maximum increase, however, a minimum increase of GBP25/EUR38/USD50 is applicable.

You can decrease your premiums on any premium renewal date, although you should be aware that if you decrease your premiums during the first 4 years of the policy, a charge will be applied during the remainder of the 4 year period. The charge will be such that the initial units purchased during the remaining 4 year period will be unchanged.

The maximum decrease allowed during the first 4 years is limited to 50% of the premium paid. The minimum decrease is GBP25/EUR38/USD50.

From the fifth policy anniversary and thereafter, there is no maximum decrease as long as the minimum premium levels are adhered to.

All premiums must be paid within 30 days of the due date.

### Q Can Paragon be set up in different currencies?

**A** Paragon is available in UK sterling (GBP), euro (EUR) or US dollars (USD). The policy currency cannot be changed during the lifetime of the policy.

### Q How can I pay my premiums?

**A** Depending on your premium payment frequency you can choose to make payments by credit card, direct debit, telegraphic transfer, standing order, banker's draft or cheque.

Premiums can be paid in UK sterling (GBP), euro (EUR) or US dollar (USD).

## Questions and answers continued

### Q What if I want to take a break from paying premiums?

A Once you have been investing for 5 years and the value of your policy is at least twice the total annual premium, you can take a premium holiday as long as all due premiums have been paid. No additional charges will be incurred, although the standard charges will continue to apply.

Your premium holiday can commence on any premium renewal date and may last for up to 2 years. You can exercise this option as many times as you wish, provided premiums have been paid for at least 2 years since the last premium holiday.

### Q Where is my money invested?

A After allowing for charges, your premium is invested in a maximum of 10 funds of your choosing, from a range of UK authorised and international collective investment schemes. A full list of available funds can be found in the *Investment Guide*.

You can switch between funds and redirect future premiums into new funds whenever you want. There is currently no charge levied for switching funds, however, RL360<sup>®</sup> reserves the right to levy a fee for new switches at a later date.

### Q What happens if I change my mind?

If you change your mind and no longer wish to invest in your Paragon policy, just let us know. Where payments are made by credit card or direct debit we can arrange cancellation of your payments. However, where payments are made by standing order, you will need to contact your bank directly to arrange cancellation. If the first premium has not been paid, you can cancel the policy with no charges incurred.

You should refer to your financial adviser before making any decision to cancel your policy.

### Q How can I keep track of my policy?

A Each year, you will be sent a summary valuation of your policy's performance. In addition, you can register for access to our secure Online Service Centre where you will be able to download valuations at any time free of charge. Your financial adviser will also be able to produce electronic valuations of your policy at any time free of charge.

### Q Who can manage the fund selection?

A You can select funds yourself or have someone else do it for you. If you want to choose funds yourself, you can send your instructions to us directly or via your financial adviser. You can also register for online access to switch funds and or redirect future premiums. Alternatively, you can appoint an investment adviser who will manage fund selection on your behalf.

### Q Can I take withdrawals from my policy?

A As long as your policy has been running for 5 years or more, you can take regular withdrawals on a monthly, quarterly, termly (i.e. on a 4 monthly basis), half yearly, yearly or one-off basis.

Regular and one-off withdrawals may be taken as a percentage of your policy value, or as a fixed amount. Each withdrawal is subject to a minimum amount of GBP250/EUR375/USD500 and the total regular withdrawals in any policy year are limited to a maximum of 15% of the policy surrender value at the start of the policy year.

Please note that no withdrawals can be taken if in doing so the fund value will fall below GBP5,000/EUR7,500/USD10,000. If you wish to take a withdrawal in these circumstances, you may have to redeem the remainder of the policy in full.

Withdrawals will always be taken proportionally across all policy segments.

You should always obtain advice from your financial adviser prior to withdrawing any monies from your investment to ensure you have a full understanding of the tax treatment of your withdrawals. If you wish to make a withdrawal, please refer to your financial adviser.

## Questions and answers continued

**Q** Can I cash in part or all of my Paragon policy at any time?

**A** If you have opted for a segmented policy, you can choose to surrender a number of segments, which may be subject to a surrender charge.

You can of course surrender all of your policy at any time, but you should be aware that if you surrender your policy during the early years, your policy value may be subject to a surrender charge and you may get back less than you invested.

The surrender charge is equal to the outstanding allocation to initial units purchased in respect of future premiums, at the level of the current premium. For example, if you were surrendering a policy after 1 year, there are 3 years worth of future premiums which would have contributed to initial units, and we would deduct the value of these allocations from the surrender value.

Please note that, for premiums with premium indexation, the deduction is based on the current level of premium, not the expected future increased levels.

Any single premium injection surrendered in full within 5 years of its initial investment will be subject to a surrender charge equal to the outstanding single premium establishment charge.

**Q** What happens if I die?

**A** When the last life assured dies, your policy will end. We will then require written notification of death along with satisfactory documentation (legal entitlement - probate") to be sent to our head office address, before we can pay out. The amount paid out will be 101% of the value of the policy.

**Q** How much of my premium will be used to buy units?

**A** Units will be purchased in respect of every premium received. Depending on how much you decide to invest, your allocation rate can increase from 100% to as much as 107% as shown in the following table:

Annualised premium			Allocation rate
GBP	EUR	USD	
1,000 to 1,499	1,500 to 2,249	2,000 to 2,999	100%
1,500 to 1,799	2,250 to 2,699	3,000 to 3,599	101%
1,800 to 2,399	2,700 to 3,599	3,600 to 4,799	103%
2,400 to 3,599	3,600 to 5,399	4,800 to 7,199	105%
3,600+	5,400+	7,200+	107%

**Q** What are the charges on my Paragon policy?

**A** During the early years of the policy an establishment charge will be levied through the cancellation of units. A percentage of the units, purchased by the premiums paid in the first 4 policy years, will be subject to this charge. The percentage of units purchased during the first 4 years that are subject to the establishment charge will depend on the premium term as shown below:

Premium payment term (years)	Percentage
5	30
10	36
15	43
20	49
25	54

If premiums are increased, then the amount of any increase will be subject to a further establishment charge. A percentage of the units purchased by the premium increase will be subject to this charge. The charge will be levied on the amount of the premium increase and will be applied over the following 4 years.

There is a premium charge deducted from the fund of 7% of each premium and a contract charge of 1.5% per year, deducted as 0.375% of the current fund value every quarter.

A quarterly policy fee of GBP10.50/EUR15.75/USD21.00 will be deducted from your policy. This amount will increase every year in line with the Isle of Man Retail Price Index.

## Questions and answers continued

Further information on the Isle of Man Retail Price Index can be found at [www.gov.im/treasury](http://www.gov.im/treasury)

If you choose to appoint an investment adviser there may be an investment adviser fee deducted from your policy. The amount of the fee, and when it should commence, should be agreed between yourself and your financial adviser. The amount deducted, if any, will be passed to your investment adviser.

For additional single premium injections, an establishment charge of 8% applies taken as 0.40% of the current fund value or the premium paid if higher, collected quarterly over the first 5 years.

The fund(s) that are held within the policy are subject to an annual management charge. The charge will vary according to the fund chosen and further details can be obtained from your financial adviser or the *Investment Guide*. The annual management charge is reflected in the fund price.

If you require any more than the standard annual Paragon valuation statement, a valuation charge may be made for each additional valuation. Alternatively, you and your financial adviser can download these free of charge.

Further details on the charges are given in the policy *Terms and Conditions*.

We reserve the right to vary these charges in the future. We will advise you of any variation in charge where appropriate.

### Q How is the loyalty bonus calculated?

A Your policy will be entitled to a loyalty bonus of 1% per year of the accumulated fund value. The starting policy anniversary from which the loyalty bonus will be paid is dependent upon the premium term, further details of which can be found below:

Premium term	Starting policy anniversary
5-7 years	2
8-11 years	3
12-15 years	4
16-19 years	5
20-23 years	6
24-25 years	7

Please note that the loyalty bonus is always based on the original premium term and will not take account of an increase in term.

Additional bonus units of 7% of the fund value are also applied at the 5th, 10th and 15th policy anniversaries if the policy is already receiving the regular loyalty bonus units.

Please note that the loyalty bonus is paid on regular premiums only and does not apply to single premium injections. The percentage of loyalty bonus may be varied in the future at the discretion of RL360°.

### Q What is the tax position of my policy?

A RL360° is subject to Isle of Man tax laws. Therefore any growth or income earned in your policy is not taxed. However, withholding tax may be deducted at source on income arising from investments held in some countries, which cannot be reclaimed by us. You may have a personal liability to tax depending on the tax regime in your country of residence and your own personal circumstances. Tax implications should be discussed with your specialist adviser.

### Q What do I do next?

A If you have read the product literature and *Key Features* of Paragon and have taken advice from your financial adviser, all you need to do is complete the *Application Form* and send it, together with any payment instructions, to your financial adviser who will pass it to our Isle of Man New Business team. The *Application Form* should be accompanied by your Personal Illustration.

Depending on your payment frequency, you may invest by credit card, direct debit, telegraphic transfer, standing order, banker's draft or cheque.

Cheques should be made payable to "RL360 Insurance Company Limited" and building society cheques should be referenced with the account holder's name and building society account number on the front of the cheque.

If you wish to make payment by telegraphic transfer or standing order, please contact the New Business team on +44 (0) 1624 681 578, or your nearest regional office, further details of which can be found on the back page. Any charges associated with payment by telegraphic transfer will be deducted from the value of each premium.

## Important information

### How to contact us

If you wish to invest an additional premium, make a one-off withdrawal, a fund switch, or surrender your policy, please speak to your financial adviser first.

If you require further information then please contact us.

### Head office address

RL360 Insurance Company Limited  
RL360 House  
Cooil Road  
Douglas  
Isle of Man  
IM2 2SP  
British Isles

Telephone: +44 (0)1624 681681  
(we may monitor calls to improve our service)

Email: [csc@rl360.com](mailto:csc@rl360.com)

Website: [www.rl360.com](http://www.rl360.com)

### Complaints

If you wish to complain about any aspect of your policy please consult your financial adviser or write to our Head of Customer Services at our head office address.

Complaints about our products or service will be dealt with in accordance with the Complaints Handling Policy, a copy of which is available on request. If a complaint regarding the administration of the policy is not dealt with to your satisfaction you can refer it to the Financial Services Ombudsman Scheme for the Isle of Man, Isle of Man Office of Fair Trading, Government Buildings, Lord Street, Douglas, Isle of Man, IM1 1LE, British Isles. Telephone +44 (0)1624 686500.

### Law and language

Paragon is governed by the law of the Isle of Man. We will always write and speak to you in English.

### Compensation

Owners of policies issued by RL360 Insurance Company Limited receive the protection of the Isle of Man Compensation of Policyholders protection scheme, which covers an amount equal to 90% (subject to the provisions of the scheme) of RL360's liability where it is unable to meet its financial obligations. RL360 reserves the right to adjust the returns to cater for any levy or charge made on it under the regulations or similar legislation.

### Important notes

Paragon is available exclusively in association with financial advisers. Your financial adviser can provide a final recommendation as to whether or not Paragon is suitable for you.

The information contained in these *Key Features* is based on our understanding of Isle of Man legislation as at February 2013.

Whilst every care has been taken in producing this document, we cannot accept responsibility for our interpretation or any subsequent changes to legislation. These *Key Features* are not intended as a substitute for legal or tax advice.



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