

Product Profile



For financial advisers only

This document is intended as a product summary only and is not designed to encompass all the product details or terms and conditions. Before offering advice relating to this product, please read the full literature suite including the *Brochure, Key Features, Investment Guide and Terms and Conditions*.

For further information please contact our Isle of Man Head Office, or your nearest regional office.

Description

Quantum is an offshore regular premium savings policy issued in the Isle of Man by RL360 Insurance Company Limited (RL360°).

Applicants

Applications can be made by individuals (on a single or joint ownership basis), companies or trustees.

Individual applicants must be at least 18 years old at the application stage. There is no maximum age.

Policy basis

Quantum can be issued as a life assurance policy or as a capital redemption policy.

1. The life assurance option is issued on a single life or joint life last death basis. Lives assured are usually the applicants however they can be different if required.

It should be noted that the youngest life assured can be no older than 65 years of age when the policy is issued. The policy can remain in-force until the death of the last life assured or the policy is surrendered.

2. The capital redemption option has no lives assured linked to it. The policy can remain in-force for a total of 99 years (inclusive of the premium term) at which time the fund value plus USD160 (or currency equivalent) will be payable and the policy will come to an end.

Please note that the policy basis cannot be changed once the policy has been issued.

Policy currency options

- Pound sterling (GBP)
- Euro (EUR)
- United States dollar (USD)
- Swiss franc (CHF)
- Australian dollar (AUD)
- Hong Kong dollar (HKD)
- Japanese yen (JPY)

Segmentation

For additional flexibility Quantum can be issued as a single policy or 100 sub-policies.

Minimum premiums

Monthly premiums		
Currency	Premium term	
	5-9 years	10 years +
GBP	400	200
EUR	480	240
CHF	600	300
USD	640	320
AUD	640	320
HKD	5,000	2,500
JPY	60,000	30,000

Single premium injections can be made at anytime subject to a minimum of:

- GBP5,000
- EUR6,000
- CHF7,500
- USD8,000
- AUD8,000
- HKD62,500
- JPY750,000

Payment options

Method	Premium frequency			
	Monthly	Quarterly	Half yearly	Yearly
Credit Card ¹ / Visa Debit Card	Yes	Yes	Yes	Yes
Direct Debit (GBP ²)	Yes	Yes	Yes	Yes
Standing Order	Yes	Yes	Yes	Yes
Cheque	No	No	Yes	Yes
Telegraphic Transfer	No	No	Yes	Yes
Bankers Draft	No	No	Yes	Yes

1 A credit card fee will not be charged

2 UK and Channel Island bank accounts only

Premium flexibility

Premium increases

Premiums can be increased on any premium due date. For example a policy with a quarterly premium frequency can only be increased on the quarterly payment due date.

Each premium increase will create its own initial allocation period, surrender charges, premium incentive and loyalty bonus arrangements where applicable.

Premiums cannot be increased within 5 years of the end of the premium term.

Premium decreases

Premiums can be reduced, usually at the policy anniversary, although they cannot be reduced below the minimum premium level or during the initial allocation period.

Premium indexation

Clients can increase their regular premiums automatically on each policy anniversary.

They can choose to increase the original premium level by either 5% or 10% per year.

This option can only be selected at policy commencement – it cannot be added to the policy at a later date.

Premium frequency

The premium payment frequency can be changed on any policy anniversary once the initial allocation period is complete.

Selected premium term

Life assurance option

The minimum premium term is 5 years. There is no maximum term although the selected premium term must end before the 71st birthday of the youngest life assured.

Capital redemption option

The minimum premium term is 5 years.

The maximum premium term is 99 years.

Investment options

There is a wide choice of funds available covering a broad range of asset classes, investment styles and geographical sectors. The maximum number of funds that can be held is 10. Please refer to the *Investment Guide* for further information.

Allocation rates

100% of each regular premium will be allocated to the purchase of units.

93% of each single premium injection will be allocated to the purchase of accumulation units.

Premium incentive

A premium incentive applies to policies with an annualised premium of USD5,760 (or currency equivalent) and above, and with a premium term of 10 years or more.

The premium incentive is a multiple of the monthly premium i.e. (annualised premium/12) x incentive, and will be applied to the policy upon commencement as shown in the table below:

Premium term (years)	Incentive (monthly premiums)
5 to 9	0
10 to 14	1.5
15 to 19	3
20 to 24	4.5
25 to 30	6

Any additional premium increase will also qualify for a premium incentive subject to the following rules:

- The annualised regular premium increase is USD5,760 (or currency equivalent) or above; and
- There are 10 years or more left to run of the original premium term.

If both rules are met then the premium incentive will be calculated in the same way as shown above.

Premium incentives are subject to a 100% surrender charge if the policy (or sub-policies if applicable) is surrendered within 5 years of the incentive being applied to the policy.

Loyalty bonus

The loyalty bonus will be 0.25% of the final fund value multiplied by the number of years that premiums are paid in full – subject to a minimum premium term of 10 years and a maximum of 30 years.

Any years where the policy was on a premium holiday, or after a policy has been made paid up, will not be counted. The loyalty bonus will be applied as accumulation units at the end of the premium term as shown in the following table:

Premium term	Bonus allocation percentage	Premium term	Bonus allocation percentage
5 to 9	0.00%	20	5.00%
10	2.50%	21	5.25%
11	2.75%	22	5.50%
12	3.00%	23	5.75%
13	3.25%	24	6.00%
14	3.50%	25	6.25%
15	3.75%	26	6.50%
16	4.00%	27	6.75%
17	4.25%	28	7.00%
18	4.50%	29	7.25%
19	4.75%	30	7.50%

Please note that the loyalty bonus is paid on regular premiums only and does not apply to any additional single premium injections.

Features

Premium holiday

A premium holiday of up to 2 years may be requested by the policyholder following the initial allocation period where:

- The fund value is above the minimum level³; and
- All expected premiums have been received by RL360°.

Paid up

Provided the policy has completed the initial allocation period and the fund value is above the minimum level³, a request can be made to discontinue the payment of premiums into the policy, and change its status to paid up.

Where the status of a policy has changed to either premium holiday or paid up, the standard charges will continue to apply with the exception of the policy fee which will increase. For further information please refer to the "Policy fee" section opposite.

Withdrawals

All withdrawals are funded from the cancellation of accumulation units. The minimum cash withdrawal is currently USD400 (or currency equivalent).

During the premium term, total regular withdrawals in any policy year cannot exceed 10% of the fund value at the start of the policy year. Withdrawals are not allowed during the initial allocation period.

There is no maximum limit for a one-off withdrawal, however it cannot be greater than the surrender value of the policy or bring the fund value below the minimum level³.

All cash withdrawals are subject to the remaining fund value exceeding the minimum level as shown below:

³ Minimum fund level

- GBP5,000
- EUR6,000
- CHF7,500
- USD8,000
- AUD8,000
- HKD62,500
- JPY750,000

Death benefit

Life assurance option

The death benefit payable will be 101% of the fund value of the policy, payable on the death of the last life assured.

Capital redemption option

Not applicable.

Initial allocation period

An initial allocation period will apply during which all premiums paid will be applied to initial units. The initial allocation period is dependent upon the premium term of the policy as shown in the table below:

Premium term (years)	Initial allocation period (months)
5 - 18	18
19	19
20	20
21	21
22	22
23	23
24+	24

If premiums are increased, then the amount of any increase will be subject to a further initial allocation period.

After completion of the initial allocation period all premiums paid will be applied to accumulation units.

Any single premium injections received are applied directly to accumulation units.

Charges

Initial unit charge: 0.50% per month (6% per year)

Deducted from the value of the initial units monthly in arrears.

This charge will be taken throughout the premium term.

At the end of the premium term all remaining initial units will be converted into accumulation units on a one for one basis.

Contract charge: 0.125% per month (1.50% per year)

Deducted proportionately from initial and accumulation units each month in arrears whilst the policy remains in-force.

Policy fee: USD8.00 per month (or currency equivalent)

Deducted monthly in arrears whilst the policy remains in-force.

The policy fee will increase every year in line with the Isle of Man Retail Price Index. Further information on the Isle of Man Retail Price Index can be found at www.gov.im/treasury.

The policy fee will be multiplied by 3 where a policy is on a premium holiday, or the policy is made paid up.

Annual management charges

In addition to the product charges set out in this document, the underlying funds available through Quantum will be subject to an annual management charge levied by the external fund manager. The charge will vary according to the fund(s) chosen and further details can be obtained from the *Investment Guide*. The annual management charge is reflected in the fund price.

Surrender charges

A policy surrendered within its initial allocation period will acquire no surrender value, in effect suffering a 100% surrender charge.

A policy or sub-policy surrendered after the initial allocation period may be subject to a surrender charge deducted as a percentage of the initial unit value.

The charge is dependent upon the period from the date of surrender to the earliest of the 30th anniversary of the policy or regular premium increase, and the end of the premium term as shown in the table below:

Years to end of premium term	Charge	Years to end of premium term	Charge
1	8.0%	16	73.5%
2	15.5%	17	75.5%
3	22.0%	18	77.5%
4	28.5%	19	79.5%
5	34.0%	20	81.0%
6	39.5%	21	82.5%
7	44.0%	22	84.0%
8	48.5%	23	85.5%
9	52.5%	24	86.5%
10	56.5%	25	87.5%
11	60.0%	26	88.5%
12	63.0%	27	89.5%
13	66.0%	28	90.5%
14	69.0%	29	91.0%
15	71.5%	30	91.5%

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Single premium injections are not subject to surrender charges.

A sub-policy can only be surrendered once the initial allocation period is complete. Surrender charges will be applied proportionately across all surrendered sub policies.

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

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