

ioma

WAY ESTATE TRANSFER PLAN
STANDARD POLICY TERMS AND CONDITIONS

WAY ESTATE TRANSFER PLAN

The WAY Estate Transfer Plan consists of a series of identical single premium unit-linked endowment life assurance policies. Based on an application for the WAY Estate Transfer Plan the terms and conditions of a life assurance contract with Isle of Man Assurance Limited (hereinafter referred to as “IOMA”) are set out in each policy. Each policy is made up of and is subject to:

- (i) the application form for the WAY Estate Transfer Plan;
- (ii) the Policy Provisions;
- (iii) the Policy Schedule; and
- (v) any endorsement(s) on the Policy Schedule.

Signed on behalf of Isle of Man Assurance Limited

Authorised Signatory

Dated the same date as the Policy Schedule

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GLOSSARY OF TERMS USED IN THE STANDARD POLICY TERMS AND CONDITIONS

Adviser - A financial adviser authorised under section 31 of the Financial Services and Markets Act 2000 in the United Kingdom to act as an intermediary and adviser to the Policyholder(s) in connection with the Bond and the Portfolio or authorised or permitted to act under any similar legislation in force in the jurisdiction in which that person carries on such activities.

Bond or “the WAY Estate Transfer Plan” – the WAY Estate Transfer Plan underwritten by IOMA and consisting of the Policies.

Bond Currency - The currency in which the Bond is denominated as specified in the Policy Schedule.

Cash - Cash held in the Portfolio.

Cash Account - The current account maintained by IOMA in accordance with paragraph 1.5 of the Policy Provisions.

Commencement Date – The date on which the Policy commenced as specified in the Policy Schedule.

Head Office – The principal place of business of IOMA in the Isle of Man.

Life Assured – The life or lives assured as specified in the Policy Schedule.

Manager – WAY Fund Managers Limited, the manager of the funds in which the Portfolio may be invested.

Payment Date – The date in each calendar quarter on which the annual management charge and monthly policy charge are payable in connection with the Bond in accordance with paragraphs 2.2 and 2.3 of the Policy Provisions is deducted from the Portfolio.

Policyholder(s) – The grantee or grantees or the surviving grantee or their successors in title as legal owners of the Bond.

Policies – All of the single premium unit-linked endowment policies issued by IOMA, comprising the Bond and in force at any time, the numbers of which appear in the Policy Schedule(s) and Policy shall mean one of the Policies.

Policy Provisions – The standard policy terms and conditions and any special policy terms and conditions included in the Policy Schedule, and any endorsement(s) on any of them.

Policy Schedule – The policy schedule issued by IOMA which includes details of the grantee or grantees of each Policy issued following acceptance by IOMA of an application for the Estate Transfer Bond and the number identifying such Policy.

Portfolio – A separately identifiable portfolio of investments (including uninvested cash), together with any liabilities, which are allocated for the purpose of determining the benefits payable under the Bond but which form part of the assets of the Long Term Business Fund maintained by IOMA to meet its life assurance liabilities.

Premium – The amount paid to IOMA in connection with an application for the Estate Transfer Bond for allocation to the Policies following acceptance by IOMA of that application.

Valuation Date – The date on which the Bond is valued, normally being monthly. Should it be appropriate, in IOMA’s opinion, to value the Portfolio more frequently, IOMA reserves the right at its discretion to do so.

STANDARD POLICY TERMS AND CONDITIONS

1. Details of the Bond

1.1 The Bond

- (1) On the Commencement Date IOMA shall:-
 - (i) establish the Bond; and
 - (ii) credit the Premium to the Cash Account.
- (2) The benefits payable under each Policy on maturity or death are based on the value of the Portfolio. The assets allocated to the Portfolio shall at all times form part of the Long Term Business Fund of IOMA and shall accordingly be beneficially owned by IOMA. Such assets shall be held in the name of IOMA.
- (3) All income and capital gains arising from the assets allocated to the Portfolio shall be credited to the Portfolio.

1.2 Transaction Instructions

- (1) All transaction instructions from the Policyholder(s) relating to the composition of the Portfolio shall be sent directly to IOMA.
- (2) Transaction instructions shall be deemed valid if received by fax, email or post.

1.3 Asset Allocation

- (1) The composition of the Portfolio will be determined by the Policyholder(s). The Policyholder(s) may determine the composition by giving valid instructions to IOMA in accordance with paragraph 3.1(3) below subject to:
 - (i) paragraph 1.3(6) below; and
 - (ii) any limits or restrictions imposed by IOMA regarding:
 - (a) the minimum size of any holding of assets allocated to the Portfolio;
 - (b) the balance in the Cash Account; and
 - (c) the minimum value of the Bond.

The Policyholder(s) may only instruct IOMA to purchase assets for allocation to the Portfolio from the range of funds made available by the Manager and as agreed by IOMA from time to time as being eligible to be purchased for allocation to the Portfolio, and subject to any maximum or minimum limits specified by IOMA.

- (3) On receiving a valid instruction made in accordance with paragraph 3.1(3) below to change the composition of the Portfolio, IOMA will normally process the instruction:-
 - (i) on the first day on which IOMA is open for business after IOMA has received the request;
 - (ii) if the instruction is to purchase an asset, on the date on which a sufficient amount of cash has been cleared in IOMA's bank account and credited to the Cash Account (or, if that is not practicable, on the first day on which IOMA is open for business after such date); or
 - (iii) on an alternative date acceptable to IOMA;

Notwithstanding the above, IOMA reserves the right to delay the processing of an instruction to change the Portfolio's composition if:-

- (a) IOMA cannot readily deal in the appropriate assets to the value of the instruction on the processing date as previously described; or
- (b) it is not reasonably practicable for IOMA to process the instruction on that date due to circumstances beyond IOMA's control;

In such circumstances IOMA will normally process the instruction on the first day on which it becomes reasonably practicable for the transaction to be executed after the end of the period of delay.

- (4) Subject to paragraph 1.3(3) above, IOMA will process a valid instruction given in accordance with paragraph 3.1(3) below to purchase to a total value specified by the Policyholder(s) an asset for allocation to the Portfolio by:-

- (i) purchasing the appropriate assets to the total value specified by the Policyholder(s) at the prices readily available to IOMA at the time of the purchase; and then
- (ii) debiting the Cash Account on the due date for settlement of the transaction with the purchase price, together with all expenses, taxes, duties and charges in connection with the purchase.

For the avoidance of doubt, any assets purchased following a valid instruction pursuant to this paragraph 1.4(4) will be purchased at not more than the open market buying price.

- (5) Subject to paragraph 1.3(1) above, IOMA will process a valid instruction made in accordance with paragraph 3.1(3) below to sell to a total value specified by the Policyholder(s) an asset allocated to the Portfolio by:-

- (i) selling the appropriate assets to the total value specified by the Policyholder(s) at the prices readily available to IOMA at the time of the sale; and then
- (ii) crediting the Cash Account on the due date for settlement of the transaction with the sale proceeds, net of all expenses, taxes, duties and charges in connection with the sale.

- (6) Notwithstanding any other term or condition in the Policy Provisions, IOMA has the right, at all times:-

- (i) to determine the range of pooled funds from which assets can be allocated to the Portfolio and the maximum and minimum investment values that can be held in each of pooled fund;
- (ii) to refuse an instruction to sell or realise in any other manner any asset allocated to the Portfolio which IOMA considers is not readily realisable;
- (iii) to refuse an instruction to buy any asset which is not in the range of pooled funds which IOMA allows for allocation to the Portfolio; and
- (iv) to sell or realise in any other manner (including liquidation) any asset allocated to the Portfolio which IOMA considers is, or has become, unsuitable for allocation to the Portfolio.

In exercising its rights under this paragraph 1.3(6), IOMA will take into account, inter alia:-

- (a) any current or proposed legal, regulatory or other official requirements applicable to IOMA, the Bond, the Policies or to Policyholder(s);

- (b) whether the relevant asset has become valueless or has been removed from the range IOMA allows for allocation to the Portfolio; and
- (c) the need to make the administration of the Bond reasonably practicable.

IOMA will not incur any liability as a result of exercising its rights under this paragraph 1.4(6), nor will IOMA be required to explain the basis on which it has exercised such rights. If IOMA refuses to comply with an instruction in accordance with this paragraph or wishes to exercise its rights in accordance with sub-paragraph (iv) of this paragraph in relation to any asset allocated to the Portfolio which IOMA considers is not readily realisable, IOMA may, in its sole discretion, transfer all holdings of the Portfolio into the Cash Account.

- (7) All transactions relating to assets allocated, or to be allocated, to the Portfolio will be effected by IOMA or any agent IOMA may appoint from time to time to perform such a function.

1.4 The Cash Account

- (1) Unless specifically agreed to the contrary, the Cash Account shall be established in the currency in which the Bond is denominated.
- (2) After the Commencement Date, the Cash Account, which will be maintained by IOMA as an asset or liability (as appropriate) of the Portfolio, will normally only be used:-
 - (i) to hold Cash;
 - (ii) to debit the costs of purchasing assets for allocation to the Portfolio, including all expenses, taxes, duties and charges in connection with such purchase unless those costs have been levied within the purchase transaction;
 - (iii) to credit the proceeds of sales of assets allocated to the Portfolio, net of all expenses, taxes, duties and charges in connection with such sales unless those costs have been levied within the sale transaction;
 - (iv) to credit the income received from assets allocated to the Portfolio (unless the income is automatically re-invested in the relevant assets);
 - (v) to pay all amounts due to the Policyholder(s) in terms of paragraph 2.7 (Maturity Benefit) and 2.8 (Death Benefit) below;
 - (vi) to deduct all fees, charges and other expenses payable in connection with the Portfolio and the Bond in accordance with the paragraphs 1.4 (Cash Account), 1.5 (Valuations), 2.2 (the Annual Management Charge), 2.3 (the Monthly Policy Charge), 2.7 (Maturity Benefit), 2.8 (Death Benefit), 3.1 (Administration of the Bond) and 3.3 (Permitted Deductions) below; and
 - (vii) to credit any interest added to the Cash Account in accordance with paragraph 1.4(4) below.
- (3) Unless IOMA otherwise, in its absolute discretion, permits, the Cash Account must be kept in credit with a minimum of 1.00% of the value of the Portfolio or with any other minimum value as IOMA may specify from time to time. IOMA may, at its discretion, sell assets allocated to the Portfolio for the purpose of placing the Cash Account in credit to the relevant minimum amount and, in doing so, IOMA may take into account any accrued or prospective fees and charges payable in connection with the Portfolio and the Policies in accordance with paragraphs 1.4 (Cash Account), 1.5 (Valuations), 2.2 (the Annual Management Charge), 2.3 (the Monthly Policy Charge), 2.7 (Maturity Benefit), 2.8 (Death Benefit), 3.1 (Administration of the Bond) and 3.3 (Permitted Deductions) below. IOMA will sell assets from the Portfolio in the following order to realise sufficient assets to place the Cash Account in credit: firstly, cash or deposits and, secondly, the largest holding of those pooled funds which are realisable on seven or fewer days' notice.

- (4) IOMA will add interest on a daily basis to the Cash Account when it is in credit at such rates as IOMA may fix from time to time, details of which are available by writing to IOMA at its Head Office.

1.5 Valuations

- (1) On each Valuation Date IOMA will calculate the value of the Bond in the currency in which the Bond is denominated, unless otherwise agreed. In calculating the value of the Bond, the following will be taken into account:-
 - (i) the value of the assets allocated to the Portfolio (including the balance in the Cash Account); and
 - (ii) any income which has accrued on the assets allocated to the Portfolio.
- (2) For the purpose of calculating the value of the assets within the Portfolio, units or shares in pooled funds will be valued at the most recent price available to IOMA on the relevant Valuation Date (as quoted by any relevant medium, including by the manager of the relevant fund).
- (3) If any of the assets or liabilities within the Portfolio are valued in a currency other than that in which the Bond is denominated, their values will be converted into the denominated currency at appropriate exchange rate(s) selected by IOMA.
- (4) IOMA will undertake an ad hoc valuation of the Portfolio on a date which is not a Valuation Date on receiving a valid request for such a valuation from the Policyholder(s) in accordance with paragraph 3.1(3) below. IOMA reserves the right to deduct from the Cash Account a charge for providing an ad hoc valuation.

2. Details of the Bond

2.1 The Initial Charge

The initial charge shall be payable at the rate specified in the Policy Schedule and shall be deducted from the Premium.

2.2 The Annual Management Charge

The annual management charge shall be payable at the rate specified in the Policy Schedule and shall be deducted from the Cash Account on each Payment Date on a pro rata basis.

2.3 The Monthly Policy Charge

The monthly policy charge shall be payable at the rate specified in the Policy Schedule. The Monthly Policy Charge shall accrue monthly and shall be deducted from the Cash Account on each Payment Date.

2.4 Fund Management Charges

There will be charges within the pooled funds which the Policyholder(s) select for investment within the Bond levied by the Manager. Further details may be obtained from IOMA, the Adviser or the Manager.

2.5 Partial Encashment

The Bond has no partial encashment facility.

2.6 Total Encashment

The Bond is not surrenderable and the Policyholder(s) may not make a request for total encashment.

2.7 Maturity Benefit

- (1) Unless the maturity date of a Policy has been extended, on the maturity date of each Policy as listed in the Policy Schedule, IOMA will pay the maturity benefit to the Policyholder(s).
- (2) The maturity benefit of a Policy will be the value of the Policy at the maturity date.
- (3) Deferral of the maturity date of a Policy may only be effected by the original Policyholder(s) by written notice to IOMA at its Head Office at least 14 days prior to the maturity date specified in the Policy Schedule.
- (4) In the event of the death of the Life Assured prior to the maturity date, each Policy will terminate and the death benefit as described in paragraph 2.8 (Death Benefit) will be payable.

2.8 Bond Death Benefit

- (1) On the date on which IOMA receives written notification at its Head Office of the death of the Life Assured, or the surviving life assured if more than one, IOMA will credit the sale proceeds of all non-cash assets in the Portfolio, net of all expenses, taxes, duties and charges in connection with any such sale, to the Cash Account.
- (2) Any sum payable by IOMA on a death will be subject to proof satisfactory to IOMA of:
 - (i) the death of the Life Assured or the surviving life assured if more than one; and
 - (ii) the legal entitlement of the Policyholder(s) or other person claiming the death benefit;and the return of the Policy Schedule to IOMA at its Head Office.
- (3) When the requirements set out in paragraph 2.8(2) are satisfied, IOMA will pay a Death Benefit equal to the value of the Portfolio determined as at that date in accordance with paragraph 1.5 plus £100;
- (4) IOMA may delay paying the Death Benefit payable under paragraph 2.8(3) until all of the sale proceeds of non-cash assets, referred to in paragraph 2.8(1), have been credited to the Cash Account.

2.9 Bond Currency

The Premium and any benefits payable under the Bond will be paid in the Bond Currency unless IOMA has agreed to a request from the Policyholder(s) to pay the Premium or to receive the benefits in a currency otherwise agreed to the contrary.

If IOMA agrees to make any payment in a currency other than the Bond Currency, the amount payable to the Policyholder(s) will take into account the exchange rates available at the time of the currency conversion and any costs that may be incurred by IOMA in carrying out the conversion.

3. General

3.1 Administration of the Bond and Policyholders' Obligations

- (1) IOMA may employ agents to perform any administrative, management or other ancillary services required to enable IOMA to perform its obligations under the Bond. IOMA will decide the method and the appropriate security procedures it will use when accepting requests and instructions from the Policyholder(s) regarding the Bond. In particular, IOMA may require that requests or instructions relating to the administration or management of the assets allocated to the Portfolio be made or given to any agent appointed by it pursuant to this paragraph (and any request or instruction given in accordance with IOMA's requirements will be deemed to have been given to IOMA at its Head Office).

- (2) All requests and instructions received from the Policyholder(s) will be applied across all the Policies on a pro-rata basis.
- (3) Requests and instructions will only be valid if made or given (or, in accordance with paragraph 3.1(1) above, deemed to be made or given) in writing to IOMA at its Head Office.
- (4) Any notice given, or other communication, by IOMA in connection with the Policy or the Policy Provisions shall be given, or made, in writing and sent by post to the most recent address of the Policyholder(s) as notified by the Policyholder(s) to IOMA in accordance with paragraph 3.1(3) above.
- (5) IOMA may make a charge if the Policyholder(s) instructs or requires IOMA to:
 - (i) pay benefits in a way which is different from IOMA's normal practice or in a currency other than that in which the Bond is denominated; or
 - (ii) alter the conditions under which the benefits will be payable.
- (6) IOMA may increase the level of charges payable in connection with the Bond, to reflect increases in the costs incurred by it in relation to the operation of the Bond, on giving not less than 30 days' prior notice of such increase in accordance with paragraph 3.1(4) above.
- (7) Where there is more than one Policyholder, either Policyholder may give a valid instruction to IOMA and any such instruction should be capable of acceptance by such persons respectively who shall not be obliged to give notice to the other Policyholder nor to suspend or reverse any transaction where instructions have been given by only one Policyholder.

3.2 Assignment of the Bond

- (1) The Bond may only be assigned in whole and with the prior approval of IOMA. IOMA will not be affected by any assignment until it has been approved and notified in writing to IOMA at its Head Office.
- (2) Save where the Bond is assigned with the prior approval of IOMA, all benefits and liabilities under the Bond shall remain with the original Policyholder(s) and shall not be capable of transfer.

3.3 Permitted Deductions

Should IOMA be required by law to pay any amount arising out of, concerning or otherwise in relation to, the Bond to any government, statutory or regulatory agency or authority (including any levy imposed on IOMA as a result of the Isle of Man Life Assurance (Compensation of Policyholders) Regulation 1991), IOMA may deduct the amount to be paid from the Cash Account or sell part of the Portfolio allocated to the Bond if there is no sufficient monies in the Cash Account.

3.4 Persons Prohibited from being interested in the Bond

Applications cannot be accepted from US residents or citizens.

3.5 Changes in Legislation and Taxation

IOMA, acting on professional actuarial advice, may make such alterations to the Policy Provisions with immediate effect or at such future date as IOMA determines, as it considers appropriate, if:-

- (1) it ceases to be reasonably practicable for IOMA to comply with the Policy Provisions as a result of:-
 - (i) any change (introduced, enacted or proposed) in any legal, regulatory or other official requirements applicable to IOMA, the Bond or the Policyholder(s);

- (ii) a change in the interpretation or application of any such legal, regulatory or other official requirements; or
 - (iii) compliance with any request from any government, statutory or regulatory agency or authority; or
- (2) there are any changes to the basis of taxation which applies to the Bond.

IOMA will give notice to the Policyholder(s) as soon as reasonably practicable after any such alteration shall have been made.

3.6 Force Majeure

IOMA shall not be liable to the Policyholder(s) or to any other person if it is prevented from fulfilling its obligations under the Bond by reason of any supervening event beyond its control (including, without limit, any act of god, war, national emergency, fire, flood, strike or industrial action).

3.7 Entire Contract

The Bond, as constituted by:-

the application form for the WAY Estate Transfer Plan;

the Policy Schedule;

any endorsement(s) on the Policy Schedule; and

the Policy Provisions;

contains all the terms of the contract between the Policyholder(s) and IOMA and IOMA accepts liability solely in accordance with its terms. IOMA will not be liable in respect of any alleged representation or statement whatsoever differing from such terms, whether express or implied or whether collateral or otherwise and, without prejudice to the foregoing generality, IOMA will not be liable for the acts and omissions of the Adviser or the Manager. For the avoidance of doubt, the Bond will not be valid unless signed on behalf of IOMA by a duly authorised signatory.

3.8 Governing Law

The Bond shall be governed by and construed in accordance with English law and the English courts will have exclusive jurisdiction in relation to all disputes concerning the Policy.

Ends.

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