

## 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 speak to your financial adviser and read the rest of the literature suite in full, including the:

- *Brochure*
- *Investment Guide*
- *Terms and Conditions* (a specimen *Terms and Conditions* is available on request)

You should keep all these documents in a safe place along with your Personal Illustration.

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 access the complete suite of Paragon product literature from our website [www.rl360.com/paragon](http://www.rl360.com/paragon).

### Availability

Anyone aged 18 or over can apply for a Paragon policy provided they are not subject to any legislation which prevents this type of investment. Available to individuals on a single or joint ownership basis as well as companies and trustees, Paragon is issued as a life assurance policy. Please refer to the "How can I set up my policy?" section on page 2 for further details.

### Its aims

- To give you the opportunity to invest money (we call this a premium) on a regular basis over the medium to long term with the aim of increasing its value.
- To allow you to access a wide range of investment funds, with the flexibility to switch between them.

### Your commitment

- You agree to pay regular premiums, subject to minimum amounts, for a set period of time. Details of the minimums can be found in the "What is the lowest amount I can pay in?" section on page 2.

- You are obliged to tell us about any changes to your address, country of residence, citizenship or domicile as soon as possible after any change. You must also do this for any lives assured.
- You should view your policy as being a medium to long term investment.

### Risks

- The value of the funds linked to your policy may go down as well as up and are not guaranteed. If the growth achieved by the funds in your policy is less than the rate of growth assumed in your Personal Illustration, the value of your policy will be less.
- Charges may be higher than those assumed in your Personal Illustration. For example, external bank transfer charges may apply, or switch charges may be taken.
- 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.
- Taking withdrawals from your policy may mean that you get back less than you paid in, especially if the funds linked to your policy do not grow enough to cover the withdrawals.
- If you surrender your policy during the first 5 years it will be subject to a surrender charge. This charge is equal to any outstanding initial units that were due to be taken after the point of surrender. Please refer to "Can I cash in my policy at any time?" section on page 4 for further details.
- Where you invest in funds that are denominated in a currency different to that of your policy, the investment returns will be subject to currency risk.
- Changes to the law may affect the tax treatment of your 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 a regular premium offshore savings policy issued in the Isle of Man by RL360 Insurance Company Limited (RL360°). The policy offers the potential for growth over the medium to long term, where its value is linked to the performance of investment funds.

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

A Paragon is set up as a life assurance policy and can be issued on either a single life or joint life last death basis. In most cases the life/lives assured are also the applicant(s); however they can be different if required. The youngest life assured can be no older than 65 years of age when the policy is issued. The policy will remain in-force until the death of the last life assured or the policy is surrendered.

You can also select how you want your policy to be structured. To help make your policy as tax efficient as possible, you can divide it into 100 sub-policies. Alternatively, you can have just a single policy. If you do not tell us which option you require, we will automatically issue your policy with 100 sub-policies.

Your financial adviser can help explain why this might provide tax advantages to you in the future.

### Q What currency can I select for my policy?

A Paragon is available in the following currencies:

- Pound sterling (GBP)
- Euro (EUR)
- United States dollar (USD)

The currency of your policy cannot be changed after issue. Your policy will be valued in this currency and charges will be deducted in this currency.

### Q What is the lowest amount I can pay in?

A The table below details the minimum regular premiums you can pay into a Paragon.

Currency	Regular premiums			
	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 table below shows you the minimum single premium you can pay in at any time.

Currency	Additional single premiums
GBP	1,500
EUR	2,250
USD	3,000

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

### Q How can I pay?

A Depending on how often you wish to pay, you can use any of the following methods:

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

\* UK and Channel Island bank accounts only

### Q What can I invest into?

A You will be able to invest in as many funds as you like from a range of UK authorised and international collective investment schemes provided that you or your adviser have registered for online fund switching. Without online access you will be limited to investing each premium paid into a maximum of 10 funds. A full list of available funds can be found in the *Investment Guide*.

The minimum investment per fund is:

Currency	Amount
GBP	25
EUR	38
USD	50

You can switch between funds and redirect future premiums whenever you want. There is no fee charged for this facility, however RL360° reserves the right to charge a fee in the future.

## Questions and answers continued

### Q Who is responsible for my fund choices?

A You or the company you nominate to act on your behalf. RL360° does not provide investment advice.

Paragon is a policy where its value is linked to the funds you choose to invest in. In some cases you may be making decisions yourself or with the aid of your financial adviser, or allowing an investment adviser to make them for you. Paragon empowers you with the ability to access a wide range of different funds from across the globe, but RL360° is not responsible for how those funds are managed, we only reflect their value within your policy. It is their performance which ultimately impacts on your policy with us. You must ensure that you are happy with the fund choices you or your adviser makes. We will not check their suitability for you.

There is a clear division of responsibilities between RL360° as a product provider, and the funds to which your policy value is linked.

The funds you choose should have a range of supporting materials available from the fund manager that provides them. These will commonly detail how the fund is structured, how it is performing, the make up of its underlying assets and other important information.

The final responsibility for fund selection lies with you and your adviser. If the funds selected for your policy reduce in value, this will reduce your policy value and RL360° will not compensate you as a result.

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

A We allocate each regular premium at a rate between 100% and 107% depending on how much you pay.

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%

If you pay premiums that equate to USD7,200 annually, the amount used to buy units will be:  $7,200 \times 107\% = \text{USD}7,704$

If you increase your premium, the allocation rate may also increase. For example, a monthly premium of USD500 qualifies for an allocation rate of 105% ( $\text{USD}500 \times 12 = \text{USD}6,000$  annually), if you increase that premium to USD600 ( $\text{USD}600 \times 12 = 7,200$ ), the allocation rate will increase to 107%.

Any additional single premiums will be allocated at a rate of 100% and only purchase accumulation units.

### Q How will I know how my policy is doing?

A You can access valuations online at any time, after registering. The Online Service Centre provides 24 hour access to your policy details and valuations, which can be easily downloaded when required.

Should you decide to select investment funds yourself, our online fund switching facility will allow you to redirect future premiums and switch between funds at any time, free of charge. If you opt for an investment adviser instead, they can also benefit from the online switching service.

We will also send you a valuation every 12 months as determined by your policy start date.

### Q Can I amend my premiums?

A At the start of your policy you have the option to select premium indexation which will increase your premiums automatically on each policy anniversary.

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

You can increase your premiums at any time, any increase will take place at the next premium due date. Each premium increase will create its own establishment charge and surrender charges.

If you increase your premium, the rate at which your premium is allocated to your policy may also be increased. For example, an annualised premium of USD7,000 will receive an allocation rate of 105%. If you increase your premiums to USD7,200 the allocation rate will increase to 107%.

From the fifth policy anniversary and thereafter, there is no maximum premium decrease as long as the minimum premium levels are adhered to. Decreases will take place on the next premium due date.

The maximum decrease allowed during the first 4 years is limited to 50% of the premium. Any decrease during this period will be taken from accumulation units.

## Questions and answers continued

Like an increase, if you reduce your premium, the rate at which your premium is allocated to your policy may also be reduced. For example, an annualised premium of USD7,200 will qualify for an allocation rate of 107%. If the annualised premium is reduced to USD7,000, the allocation rate will reduce to 105%. The minimum amounts by which you can either increase or decrease premiums are set out in the table below:

Currency	Monthly	Quarterly	Half-yearly	Yearly
GBP	25	75	150	300
EUR	38	113	225	450
USD	50	150	300	600

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

A You can take a premium holiday once the establishment charge period is complete. You can choose up to 2 years, provided that:

- The value of your policy is at least twice the total annual premium
- All expected premiums have been received by RL360°
- There has been at least 2 years since the last premium holiday

No additional charges will be incurred, although the standard charges will continue to apply.

### Q Can I change my mind?

A After your policy has been issued and you have received your Policy Schedule, you will also receive a notice telling you about your right to change your mind and how to cancel. You will have 30 days to cancel your policy. If you decide to cancel, we will give you your money back, reduced in-line with any fall in the value of the funds linked to your policy (if applicable).

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

#### A Regular withdrawals

In order to be able to take regular withdrawals from your policy, your original premiums' establishment charge period must be complete.

Regular withdrawals may be taken as a percentage of the fund value, or as a fixed amount.

Regular withdrawals are subject to the minimums set out below:

- GBP250
- EUR375
- USD500

The total amount of regular withdrawals you can take in any one policy year cannot exceed 15% (inclusive of any investment adviser fee if applicable) of the fund value at the start of the policy year. Regular withdrawals will be paid in your policy currency and can be paid:

- monthly
- quarterly
- termly (i.e. on a 4 monthly basis)
- half-yearly
- yearly

#### One-off withdrawals

The maximum will be limited to the value of accumulation units held in your policy and cannot be greater than the surrender value of the policy or bring the policy value below the minimum amount of:

- GBP5,000
- EUR7,500
- USD10,000

You should speak to your financial adviser before withdrawing money from your policy to ensure that you understand how this might affect the performance of your policy. You may also wish to speak to a tax adviser to determine if there are any tax implications for withdrawals you wish to take.

### Q Can I cash in my 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 will be subject to a surrender charge and you may get back less than you invested.

The surrender charge is equal to any outstanding initial units that were due to be taken post the point of surrender. 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.

## Questions and answers continued

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 surrendered in full within the first 5 years will be subject to a surrender charge equal to the outstanding single premium establishment charge due.

### Q What happens when I die?

A When the last life assured dies, the policy will end. We will 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 fund value.

If you are the policyholder but not a life assured then your policy will continue. Ownership of the policy can be passed to the personal representatives of your estate.

If the policy has been issued on a joint ownership basis then ownership will be passed to the surviving policyholder.

### Q How is the loyalty bonus calculated?

A Your policy will be entitled to a 1% accumulation unit bonus, each year. 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

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

Additional 7% special accumulation bonus units are also applied on the 5th, 10th and 15th policy anniversaries if the policy is already receiving the regular loyalty bonus.

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 are the charges on my policy?

A A percentage of the premiums during the first 4 years are used to purchase initial units. The length of the premium term determines this percentage, further details which can be found below:

Premium payment term (years)	Percentage
5	30.0%
6	31.2%
7	32.4%
8	33.6%
9	34.8%
10	36.0%
11	37.4%
12	38.8%
13	40.2%
14	41.6%
15	43.0%
16	44.2%
17	45.4%
18	46.6%
19	47.8%
20	49.0%
21	50.0%
22	51.0%
23	52.0%
24	53.0%
25	54.0%

### Establishment charge

An establishment charge will be deducted by cancelling a percentage of the initial units on each policy anniversary for the first 5 years. The rates at which initial units are cancelled are shown in the following table:

Policy year	%
1	80%
2	70%
3	60%
4	50%
5	All remaining units taken

## Questions and answers continued

If you decide to increase your premiums at any time, a separate establishment charge will be applied to the premium increase.

### Premium charge

Deducted from the accumulation units and is 7% of each premium paid.

### Contract charge

Is an ongoing charge of 0.375% of the current fund value and is deducted on the quarterly anniversary from accumulation units.

### Policy fee

This is taken on the quarterly anniversary from the accumulation unit balance.

Currency	Quarterly fee
GBP	10.50
EUR	15.75
USD	21.00

The 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](http://www.gov.im/treasury).

### Investment adviser fee

If you choose to appoint an investment adviser there may be an investment adviser fee deducted from your policy. The amount of the fee should be agreed between yourself and your investment adviser. The amount deducted, if any, will be classed as a withdrawal from your policy and will be paid directly to your investment adviser.

### Additional charges

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

There may be charges associated with the payment of premiums or withdrawals by telegraphic transfer and other means.

If you require more than the standard annual valuation statement, a charge may be deducted for each additional valuation. Alternatively, you and your financial adviser can download these free of charge from our Online Service Centre. Further details on the charges are given in the *Terms and Conditions*.

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

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

A RL360° is subject to Isle of Man tax laws. The Isle of Man does not tax any growth or income earned in your policy. 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 tax adviser.

### Q What do I do next?

A Once you have read the *Paragon Brochure*, *Investment Guide*, *Terms and Conditions* and these *Key Features* 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, standing order, telegraphic transfer 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. 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 pay an additional premium, make a one-off withdrawal, change funds 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 speak to your financial adviser first and 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 reserve 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.

Paragon is available as either a life assurance or capital redemption policy. Once your policy has been issued, you cannot change its basis from a life assurance policy to a capital redemption policy or vice versa.

The information contained in these *Key Features* is based on our understanding of Isle of Man legislation as at October 2015.

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.

To get in touch, call or email our Contact Centre.

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