

Product Profile



For financial advisers only

Description

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

Applicants

Applications may be made by individuals, companies or trustees, and we can accept up to 2 individual applicants.

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.

Residents of the USA are not eligible to apply for Paragon. Restrictions will apply to non-resident citizens of the USA. Certain restrictions may apply to residents of other countries.

Policy basis

Paragon is available on a single life or joint life last death basis.

Maximum number of policyholders

2.

Maximum number of lives assured

2. The youngest life assured must be under 65 years of age.

Policy currency

Paragon currencies are UK sterling (GBP), euro (EUR) and US dollar (USD). The policy currency cannot be changed during the lifetime of the policy. The currency of the premiums paid must match the policy currency chosen at the application stage.

Minimum premiums

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

Single premium injections can be made at any time subject to a minimum of GBP1,500/EUR2,250/USD3,000.

Payment options

Depending on the premium payment frequency, payment can be made by credit card, direct debit, telegraphic transfer, standing order, bankers draft or cheque.

Method	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 GBP payments from UK and Channel Island banks only.

Premium flexibility

Premium increase

Premiums can be increased at any time unless the policy is within 5 years of the end of the premium payment term. The minimum premium increase is GBP25/EUR38/USD50.

Premium decrease

Premiums can be decreased on any premium renewal date. The maximum decrease allowed during the first 4 years is 50% of the premium. 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.

Premium indexation

Premiums can be set up to increase at a rate of 5% or 10% on a simple basis each policy anniversary from commencement.

Selected premium term

Paragon is a whole-of-life policy with a minimum premium term of 5 years. There is no maximum premium term although the selected premium term must end before the 71st birthday of the youngest life assured.

Investment options

There is a wide choice of funds available covering a broad range of asset classes, investment styles and geographical sectors. Please refer to the *Investment Guide* for further information.

The maximum number of funds that can be held within Paragon at any time is 10.

Allocation & bonuses

Premium allocation

Depending on the size of premiums, allocation rates vary between 100% and 107% as detailed in the table below:

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%

Premium allocation for all additional single premium injections is 100%.

Unit allocation

During the first 4 years of the policy, premiums will be allocated to both initial and accumulation units. The percentage of units allocated to initial and accumulation units will be determined by the premium term as shown in the table below.

Premium term (years)	Initial units	Accumulation units
5	30 %	70 %
10	36 %	64 %
15	43 %	57 %
20	49 %	51 %
25	54 %	46 %

For a full list of the unit allocation percentages for years in between those shown in the table above, please refer to Section 5 of the *Term and Conditions*.

The initial units allocated during the first 4 years will be subject to an establishment charge.

From month 49 onwards, premiums will be allocated to accumulation units only.

If premiums are increased, then the amount of any increase will be allocated to initial and accumulation units as set out above and will be subject to a further establishment charge.

Single premium injections are allocated to accumulation units only.

Loyalty bonuses

Policies are entitled to a regular loyalty bonus of 1% per year of the accumulated fund value (based on regular premiums only). The policy anniversary from which the regular loyalty bonus will be paid is dependent upon the premium term as shown in the table below.

Premium term (years)	Policy anniversary
5 to 7	2nd
8 to 11	3rd
12 to 15	4th
16 to 19	5th
20 to 23	6th
24-25	7th

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

Features

Premium holiday

Once 5 full years' premiums have been paid, a premium holiday may be requested by the policyholder where the fund value is at least twice the total annual premium as detailed in the Policy Schedule; and all expected premiums have been received by RL360°.

A premium holiday may commence on any premium renewal date and may last for up to 2 years. A subsequent premium holiday may only be permitted if at least 2 years have elapsed since the last premium holiday, and all regular premiums have been received in the interim.

No loyalty bonus will be applied during the period that a policy is on a premium holiday.

Withdrawals

Allowed after year 5.

The minimum cash withdrawal is currently GBP250/ EUR375/USD500 per payment.

During the premium term the total regular withdrawals in any policy year cannot exceed 15% of the surrender value at the start of the policy year.

There is no maximum limit for one-off withdrawals, however they cannot bring the fund value below the minimum level: GBP5,000/EUR7,500/USD10,000

All cash withdrawals are subject to the remaining fund value exceeding the minimum level as shown above.

Withdrawals can be taken from single premium injections at any time.

Death benefit

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

Paid Up status

A client can cease premiums and change their policy status to paid up after year 4 provided the fund value is above the minimum fund value: GBP5,000/EUR7,500/USD10,000.

Paid up policies do not attract any further loyalty bonuses.

Policies with a paid up status will still continue to attract standard product charges.

Charges

Establishment charge

During the early years of the policy an establishment charge will be levied through the cancellation of initial units. A percentage of the initial units, purchased by the premiums paid in the first 4 years, will be subject to this charge. The percentage of units purchased during the first 4 years that are subject to this charge are shown in the table below.

Policy years	% initial units
1	80%
2	70%
3	60%
4	50%
5	100%

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

Premium charge

A charge of 7% will be deducted from each regular premium received.

Contract charge

A contract charge of 1.5% per year will be deducted as 0.375% of the current policy value every quarter in arrears.

Policy fee

A quarterly policy fee of GBP10.50/EUR15.75/USD21.00 will be deducted from the policy in arrears. The policy fee will increase every year at the policy anniversary 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.

Single premium charge

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. This is collected quarterly in arrears over the first 5 years.

Annual management charges

In addition to the product charges set out in this document, the underlying funds available through Paragon 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

Any Paragon surrendered within the first 5 years will be subject to a surrender charge. The surrender charge is equivalent to the value of the outstanding units that would have been allocated to cover the establishment charge. See Establishment charge section for further information.

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.

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

For financial advisers only. Not to be distributed to, nor relied on by, retail clients.

Please be aware that this 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*.

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