

Homeplan

Key features

This is an important document. Please read it and keep for future reference.

The Financial Conduct Authority is an independent financial services regulator. It requires us, Standard Life, to give you this important information to help you decide whether our Homeplan is right for you. You should read this document carefully so that you understand what you are buying and then keep it safe for future reference.

When we refer to 'Standard Life', we mean 'Standard Life Assurance Limited'.

Helping you decide

This key features document will give you information on the main features, benefits and risks of the Homeplan.

Your personal illustration is also enclosed. It will show you how much you may receive in the future.

Your key features document and your personal illustration should be read together.

If you want further information about the Homeplan, please speak to your financial adviser in the first instance. There is likely to be a charge for advice. You can also phone our customer helpline. Please see 'How to contact us' on page 07. Although we will be happy to answer your questions, we can't give you financial advice.



Protected

1. Its aims

To provide you with a lump sum which aims to help you pay off your mortgage. Your Homeplan is usually set up so that it pays out when your loan is due to be repaid.

To provide a guaranteed lump sum if you die during the term of your plan so that your mortgage is repaid.

To provide you with a guaranteed lump sum earlier if you suffer a specified critical illness if you choose to take out Critical Illness cover.

2. Your commitment

To make regular monthly or yearly payments over the term of your plan.

3. Risks

The amount you receive at the end of the term may not cover your mortgage. To make sure your loan is repaid, you may have to increase your payments.

When your plan ends, you may get back less than the amounts shown in your personal illustration because:

- the performance of the fund(s) you have chosen could be lower than shown in your personal illustration
- our charges could go up. Please see 'What are the charges?' on page 05

If you cash-in your plan early, you may get back less than you have paid in because the price of units depends on the value of the underlying assets after charges.

Investment

Investments available under your plan can vary in their level of risk. As with any investment the value of your fund can go down or up and may be worth less than what was paid in.

Some funds invest in overseas assets. This means that exchange rates and the political and economic situation in other countries can significantly affect the value of these funds.

Some investments (such as property) may take longer to sell. You'll need to take this into account when you're reviewing your investments or planning to take your benefits. The valuation of property is generally a matter of a valuer's opinion rather than fact.

If you would like more information about our investment-linked funds, you can find this online at www.standardlife.co.uk/funds

You'll probably be one of many investors in each fund you're invested in. Sometimes, in exceptional circumstances, we may wait before we carry out your request to transfer or switch out of a fund. This is to maintain fairness between those remaining in and those leaving the fund.

This delay could be for up to a month. But for some funds, the delay could be longer:

- It may be for up to 6 months if it's a fund that invests in property, because property and land can take longer to sell
- If our fund invests in an external fund, the delay could be longer if the rules of the external fund allow this

If we have to delay a transfer or switch, we'll use the fund prices on the day the transaction takes place – these prices could be very different from the prices on the day you made the request.

4. Questions and answers

This section will help you answer questions you may have. We start with some general questions and then cover payments, investment choices, tax and charges.

What is a Homeplan?

It is an investment plan you can take out for a minimum of 10 years and a maximum of 40 years. It aims to build up a lump sum to help you repay your mortgage at the end of the term.

The investment plan is made up of individual policies (maximum 20) that invest in one or more investment-linked funds.

It provides you with life insurance cover within minimum and maximum limits. The life insurance cover will pay out a cash sum if you die during the term of your plan.

It can provide you with Critical Illness cover.

The highest amount of life insurance cover you can have depends on your age, health and size of loan.

How flexible is it?

If your mortgage increases, for whatever reason, you may be able to take out another plan to make up the difference.

Please note that you will not be able to take out another plan if this means that you will exceed the government payment limit of £3,600 a year. Please see 'What will my payments be?' on page 04 for more information on this.

You can switch between investment-linked funds.

What might I get back?

The amount you get back when your plan ends is not guaranteed and will depend on several factors, such as:

- how much you invested
- the length of time you invested for
- the performance of the fund(s) you have chosen
- our charges (see 'What are the charges?' on page 05)
- whether or not you cash-in all or part of your plan early

Your personal illustration gives you an indication of what you might get back when your plan ends.

What life insurance cover is included?

You can take out your plan either on your own or jointly – usually with your spouse/civil partner or partner. It is also possible for you to take out the plan on the life of another person, provided that you have an insurable interest in the other person. You will only have an insurable interest in the life/lives assured if you will suffer a financial loss on their death.

If your plan is set up jointly, it will pay out when one of you dies.

If a claim is made following a death before the plan ends, we will pay out the higher of:

- the life insurance cover, or
- the value of your plan

Until the fund value exceeds the life cover, part of your payments to your plan are used to buy life insurance cover.

You only pay for the life insurance cover you need, to cover the difference between:

- the life insurance cover you want, and
- the value of your plan, should they be different

If your plan grows to be worth more than your life insurance cover, you stop paying for life insurance cover, and your payments are invested in your choice of our funds.

After a lump sum has been paid out on death, the plan ends and there is no cash-in value.

What other benefits can I choose?

Two optional benefits can be included with your plan, for an additional cost.

Critical Illness and Total Permanent Disability cover

Critical Illness cover ensures payment of an amount equal to the life insurance cover, or the value of your fund if this is greater, on diagnosis of one of a number of specified serious illnesses. It automatically includes Total Permanent Disability (TPD) within the list of conditions covered.

TPD pays out if you become totally and permanently disabled, and (depending on the definition shown in your plan documents) you are unable to carry out your own occupation, or cannot perform certain activities, details of which are contained within the Policy Provisions (HMP62HP).

We will not pay out for a condition the plan excludes. If you would like more information on our standard exclusions or the optional benefits, please contact us or your financial adviser or see our 'Definitions and exclusions for Critical Illness, Total Permanent Disability and Waiver of Premium' (GEN200).

Waiver of Premium

Waiver of Premium covers your regular payments to your plan if an illness or disability stops you working for six months or more, and can be added to your plan for an additional payment.

For the first six months of your claim you must continue to make payments to your plan. After that, Waiver of Premium will cover your payments until you're able to return to work.

When you return to work your claim ends and you must start making payments again.

You can add Waiver of Premium to your plan until the first of these dates subject to the government payment limit of £3,600 a year:

- the last anniversary of your plan before your 56th birthday
- the date your plan is due to end

You can continue to have Waiver of Premium in your plan until the first of these dates:

- the last anniversary of the plan before your 65th birthday
- the date your plan is due to end

Any payments we are making for a claim will also continue until the first of these dates.

You cannot change your level of cover during a claim for Waiver of Premium.

We will agree to waive payments if you become disabled and meet the definition of disability shown in your plan documents. The three possible definitions of disability are:

- you are unable to carry out your own occupation,
- you are unable to carry out any occupation for which you may be suited,
- you cannot perform certain activities

Certain conditions may be excluded and cover is not included for all occupations. Details of the definitions of disability available and standard exclusions are available on request.

What will my payments be?

The minimum payment you can currently make is:

- £20 a month, or
- £200 a year

The maximum payment that can be paid to all qualifying plans beneficially owned by you (this means held in your name or held in trust) is £3,600 a year. For government purposes a declaration needs to be signed stating that the payment limit has not been exceeded in order for you to take out this plan.

The cost of the plan you are applying for is shown on the enclosed personal illustration. This payment is based on a number of different factors, including:

- your age
- whether or not you smoke
- amount of life cover you have chosen
- our charges

You can make your payments monthly by Direct Debit, or yearly by Direct Debit or by cheque.

Can my payments change in the future?

You may need to increase your payments in the future subject to the government payment limit if they no longer cover the cost of your plan. This will depend on how the value of your plan grows and charges.

As long as you make all payments when they are due, your level of life insurance cover is guaranteed for the term of your plan.

Where are my payments invested?

After initial charges have been deducted, your payment is used to buy units in your choice of one or more of our investment funds. (Further charges, including the cost of life cover, are then taken from the value of your fund. Please see 'What are the charges?' on page 05 and your personal illustration for more information on the charges that apply.) We offer a wide range of investment-linked funds.

Each fund is made up of 'units' and we use your payments to buy units in the fund(s) you choose.

You can switch your payments in and out of various investment-linked funds to change the mix of investments, though there may be conditions and a charge for doing this.

If you choose to invest in our investment-linked funds:

- the price of units in investment-linked funds depends on the value of the underlying assets and can go down as well as up.

- You may not get back as much as you invest;
- we work out the value of your plan based on the total number of units you have in each fund. If the unit prices rise or fall, so will your plan value

Please note: the Life With Profits Fund is closed to any new plan. However, if you're altering an existing plan and are already invested in the Life With Profits Fund then this may remain an investment option. You can find out more about with-profits by reading our with-profits guide for unitised life plans. You can find this at: www.standardlife.co.uk/investments/funds/with-profits-information or call us on 0800 634 7474 for a paper copy. Our call charges will vary.

If you would like more information about the funds, please speak to your financial adviser or contact us.

What about tax?

As this is a qualifying plan under government rules it has to be held by an individual/individuals.

Standard Life pay tax on investment returns at the rates applicable to life assurance companies.

The plan provides a lump sum on death or maturity which will be free from personal Income Tax and Capital Gains Tax if:

- you have made all your payments; and
- you have not made alterations to your plan which affect its tax status. An example of a change that could affect its tax status is making your plan paid up in the early years

If you are an individual and you cash-in your plan, you may have to pay tax if you are a higher or additional rate taxpayer, or if the proceeds of the plan make you a higher or additional rate taxpayer.

If you cash in your plan within the first ten years, the lump sum payable may be liable to tax.

The amount we pay on any claim could increase the value of your estate for Inheritance Tax purposes. As the actual effect will depend on your personal circumstances, we suggest you get specialist advice on Inheritance Tax. There is likely to be a charge for advice.

Please note that if the policy is assigned, including put into trust the qualifying status and tax advantages of the policy may be impacted. Please see your financial adviser or the government for guidance on this. There is likely to be a charge for advice.

Laws and tax rules may change in the future. The information here is based on our understanding in October 2020. Your personal circumstances and where you live in the UK also have an impact on tax treatment.

What are the charges?

Your personal illustration shows what you might get back in the future and also details our charges. It also shows the effect they may have on reducing the value of your investment over the term of your plan.

We deduct charges to meet the cost of setting up and managing your plan:

- We deduct a Service Charge of £1 each month. This is taken from the fund
- There is a difference between the buying and selling price of the units in the funds your payments are invested in. This means the cost of buying units in the fund is higher than the cost of selling at any one point in time. This cost is 5% of the amount you ask us to invest. The bid and offer (buying and selling) prices of your fund will vary throughout the term of the plan.

The current fund management charge, as a yearly percentage of your fund, is 0.75%

- If the value of your fund is less than the life cover, we will take an amount each month to cover this difference. If the life cover is less than the value of your fund then no amount will be taken
- If you choose Waiver of Premium, we take the cost of providing this cover as a fixed monthly charge (shown in your personal illustration)
- You can switch funds to change the mix of your investments if you'd like. You can invest in up to a maximum of 20 different funds over the life of the plan. But you can't be invested in more than 12 funds at one time. In some situations we may delay carrying out a fund switch request. We will not normally make a charge for switching between investment linked funds, however we reserve the right to charge. It is not possible to switch into or out of the Life With Profits Fund. For more details on switching please speak to your financial adviser or contact us.

We regularly review our charges and may alter them to reflect changes in our overall costs, or assumptions. Any increases will be fair and reasonable.

What if I stop paying?

Your plan would be made paid-up. This means that no further payments can be accepted. You can then cash-in your plan at any time for any value that may be available.

If you do not cash-in your plan, life insurance cover and, if chosen, Critical Illness cover then your plan will continue until the cost of life assurance and the cost of Critical Illness cover, if chosen, reduces the value of your plan to zero. Your plan will then end.

A personal illustration that shows the potential effects of stopping your payments is available on request. Please speak to your financial adviser or contact us. We strongly recommend that you talk to a financial adviser before you make a final decision. There is likely to be a cost for this.

What if I cash-in my plan early?

You can cash-in all or part of your plan at any time. You may not get back as much as you have paid in.

Can I change my mind?

You have a legal right to cancel your contract if you change your mind. You have a 30 day period to consider if you want to change your mind. This 30 day period starts from the date you receive the Policy Schedule and the Policy Provisions (HMP62HP). During this period, if you decide you want to cancel, you should call us or write to us at the address shown in 'How to contact us' on page 07, instructing us to cancel the contract. Please make sure that you include your plan number in any correspondence with us.

If you cancel during the 30 day period, you may get back less than you paid in. This is because we may make a deduction to reflect any market loss we have experienced between the date we received your payment and the date we received your instruction to cancel.

If you decide to cancel, and we have already received payment, we will refund the payment to the person who made it.

Please note that the cancellation rights only apply to the initial payment. If you decide to increase the level of payment in the future you will not have the right to cancel that increase.

At the end of the 30 day period you will be bound by the terms and conditions of the plan and any money received by Standard Life will not be refundable under the cancellation rule.

How will I know how my Homeplan is doing?

We will send you a statement each year giving you the value of your plan, and tell you of any indication of a shortfall. You may be able to extend the term of your plan or increase the payments provided that the policy remains 'qualifying'. 'Qualifying' means that the plan satisfies all government requirements and normally allows the proceeds of the plan on death or maturity to be paid free of Income Tax and Capital Gains Tax.

You can also call our customer help line, see 'How to contact us' on page 07.

You can check our website – www.standardlife.co.uk – for details of fund prices (excluding the Life With Profits Fund).

5. Other information

How to complain

We have a leaflet that summarises our complaints handling procedures. If you would like to see a copy please contact us.

If you need to complain, write to us at the address shown in 'How to contact us' on page 7.

If you aren't satisfied with our response you may be able to complain to:

The Financial Ombudsman Service
Harbour Exchange
Exchange Tower
London E14 9SR

Tel: **0800 023 4567**

Online: www.financial-ombudsman.org.uk/contact-us/

Complaining to the Ombudsman won't affect your legal rights.

Terms and conditions

This key features document gives a summary of the Standard Life Homeplan. It does not include all the definitions, exclusions and terms and conditions, which are given in the Policy Provisions booklet (HMP62HP) and the Policy Schedule. These will be sent to you once your plan starts (if you accept any terms offered) but you can request a copy at any time before then. If you would like a copy, please ask your financial adviser to contact us or you can contact us direct at Standard Life.

We may change some of the terms and conditions. We will write and explain if this happens, and send you a copy of anything that has changed.

Law

In legal disputes, the law that applies is usually the law of the country in which you are resident when you take out the plan.

We recommend you seek specialist advice about the legal information contained in this document. There is likely to be a charge for advice.

Language

The English language will be used in all documents and future correspondence.

Compensation

The Financial Services Compensation Scheme (FSCS), established under the Financial Services and Markets Act 2000, has been set up to provide protection to consumers if authorised financial services firms are unable, or likely to be unable, to meet claims against them.

Your contract is classed as a long-term contract of insurance. You will be eligible for compensation under the FSCS if Standard Life Assurance Limited becomes unable to meet its claims and the cover is 100% of the value of your claim.

For further information on the compensation available under the FSCS please check their website www.fscs.org.uk or call the FSCS on **0800 678 1100** or **020 7741 4100**. Please note only compensation queries should be directed to the FSCS.

If you have any further questions, you can speak to your financial adviser or contact us directly.

You can also find more information at www.standardlife.co.uk/investor-protection

Solvency and financial condition report (SFCR)

The Solvency II directive is a European (EU) directive for insurance companies. Among the requirements are that companies produce a publication of a SFCR, to assist policyholders and other stakeholders to understand the capital position under Solvency II. Further information and details of the report can be found at: www.thephoenixgroup.com/investor-relations/solvency-and-financial-condition-report

The ABI Guide to Critical Illness

General information about Critical Illness cover is contained in the ABI (Association of British Insurers) 'Guide to Critical Illness'. You can see this by going online at www.abi.org.uk Alternatively, we'll send you a copy on request, or you can get a copy by writing to the ABI at One America Square, 17 Crosswall, London EC3N 2LB.

6. How to contact us

Remember, your financial adviser will normally be your first point of contact.

If you have any questions or would like to make any changes to your plan, connect with us today.



0800 634 7474

Call charges will vary. Please have your plan number ready when calling.



You can write to us at:

Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH



You can find out more about Standard Life on our website – www.standardlife.co.uk

7. About Standard Life

Standard Life Assurance Limited's product range includes pensions and investments.

Standard Life Assurance Limited is on the Financial Services Register. The registration number is 439567.

Standard Life Assurance Limited is owned by the Phoenix Group and uses the Standard Life brand under licence from the Standard Life Aberdeen Group. You can find more information about Standard Life Aberdeen plc's strategic partnership with Phoenix at www.standardlife.com/partnership

Standard Life Assurance Limited is registered in Scotland (SC286833) at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.

Standard Life Assurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. www.standardlife.co.uk

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