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

The Financial Conduct Authority is a financial services regulator. It requires us, Standard Life Assurance Limited, to give you this important information to help you decide whether our Variable Protection Plan 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.

Helping you decide

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

An illustration is also enclosed. It will show you the benefits you may get in future.

Your key features document and illustration should be read together.

We will always be happy to answer any of your questions or give you more information but we can’t give you financial advice. Our contact details can be found on page 08.
1. Its aims

Your Variable Protection Plan aims to:

- give you life cover for your lifetime
- pay a tax-free lump sum when you die
- give you the opportunity to increase or reduce your life cover at any time (as long as the change to your life cover is within our limits – please see the ‘How flexible is it?’ section on page 03)
- give you the potential for capital growth, depending on how much life cover you choose

2. Your commitment

You will make regular payments, either monthly or yearly over your lifetime.

The minimum payment for the plan is £20 a month or £200 a year.

3. Risks

Your level of life cover may have to be reduced at the 10th anniversary of your plan or at any of the five yearly reviews after that. Please see the ‘What life cover is included?’ section on page 03 for details of how life cover is regularly reviewed.

If you cash in your plan, you may get back less than you have paid in because:

- the value of investment-linked and with profits funds can go down or up (please see the ‘Where are my payments invested?’ section on page 05)
- our charges reduce the value of your investment
- if you stop paying into the plan the charges will continue to be deducted. This would reduce the value of your plan

Your plan can invest in a range of investment-linked funds that include stocks and shares. The price of units depends on the value of the underlying assets after charges. As with any investment, the value of your fund can go down or up, and may be worth less than you 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. You might get back less than you paid in.

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.

If you invest in with profits, what you get back may be less than it otherwise would be because of discretionary adjustments (please see the ‘What are the discretionary adjustments?’ section on page 06).

For information on with profits, please see our With Profits guides available on our website at www.standardlife.co.uk/withprofitsguides

If you decide to surrender your with profits fund, you may be giving up valuable guarantees.
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 Variable Protection Plan?
It is an investment plan made up of individual policies (maximum 20) that invest in one or more investment-linked and/or with profits funds. It provides a tax-free lump sum when you die.

Each investment fund is made up of ‘units’. Your payments are used to buy units in one or more of these funds.

It provides you with life cover within minimum and maximum limits. This pays out a cash sum when you die (please see the ‘What life cover is included?’ on page 03 for more information).

The amount of life cover you choose is guaranteed for the first 10 years of your plan; at this point it will be reviewed. After that, we review your life cover every five years. As a result of a review, the level of life cover under your plan may be reduced. If you want to maintain your plan’s level of life cover, you may be able to take out a top-up plan, or separate contract, but you will need to pay a separate additional payment under the new contract.

Please note that you will not be able to take out a top-up plan if this means that you will exceed the HMRC payment limit of £3,600 a year. Please see ‘What will my payments be?’ on page 04 for more information on top-up plans.

How flexible is it?
You can increase your life cover on any anniversary of your plan if:
• you are under age 75 at that anniversary, and
• you can provide satisfactory evidence of good health, and
• the increase is not above the limit we set for your plan at that time

You can reduce your life cover from the next anniversary of your plan, but not below the limit we set for your plan at that time.

The limits we set can change. Your own personal limits take into account your age and how much your plan is worth when you make the change to your life cover.

You can switch between investment-linked funds (please see the ‘What about charges?’ section on page 05 for more information).
You cannot currently switch into or out of with profits.

What might I get back should I cash my plan in?
The amount you get back is not guaranteed and will depend on several factors, such as:
• how much you invested
• the length of time you have been invested
• the performance of the fund(s) you have chosen
• our charges (please see the ‘What about charges?’ section on page 05)
• if you cash in part of your plan early
• in addition, for with profits investments, any discretionary adjustments, including any smoothing (please see the ‘What are the discretionary adjustments?’ section on page 06)

Your personal illustration gives you an indication of what you might get back should you choose to cash in your plan.

What life cover is included?
You can take out the plan on your own or jointly – usually with your spouse/civil partner. If you take out the plan jointly you can choose whether the lump sum will be paid out:
• after you both have died, or
• on the death of either of you

You can also take out a Variable Protection Plan on the life of another person, but only if you would suffer a financial loss on their death.

During the lifetime of your plan we will regularly review your level of life cover and tell you if any changes are needed. For plans which have been set up on life cover greater than the minimum, the level is reviewed at year 10 and every five years after that.

The lowest level of life cover you can choose is 75% of the payments you are expected to make until age 75 (so if you were expected to pay £10,000 to your plan, you would have a minimum of £7,500 life cover). The highest amount of life cover you can have depends on your age, health and how much you pay into your plan. If a claim is made following a death before you cash in the plan, we will pay out:
• the life cover provided by your plan, or
• the value of your plan, if it is worth more

You pay a charge for the difference between:
• the life cover, and the value of your plan
For any month when the value of your investments is more than your life cover, there will be no charge for life cover.
After a lump sum has been paid out on death, the plan ends and there is no cash value.

After charges, your payments are invested in one or more of the funds available (please see the ‘Where are my payments invested?’ section on page 05 for more information). This means that the plan can offer you the chance to have some capital growth as well as life cover. As with any investment, the value of your fund can go down or up, and may be worth less than you paid in.

What other benefits can I choose?

Waiver of Premium

For an additional cost, Waiver of Premium covers your regular payments to your plan if an illness or disability stops you working for six months or more.

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 are able to return to work, your claim ends and you must start making payments again.

You can add Waiver of Premium to your plan until:

- the last anniversary of your plan before your 56th birthday (subject to the HMRC payment limit of £3,600 a year)

You can continue to have Waiver of Premium in your plan until:

- the last anniversary of the plan before your 60th birthday

Any payments we are making for a claim will also continue until this date.

Waiver of premium is usually available on a ‘normal’ occupation basis (which means you can claim if your illness or injury prevents you doing the normal activities associated with your current job). This depends on your personal circumstances, so we may accept you only on an ‘any’ occupation definition (which means you would need to be unable to perform any job before you could make a claim). Your plan documents will confirm whether cover is provided on a ‘normal’ or ‘any’ occupation basis. Waiver of Premium isn’t available for all occupations and, if you have any doubts as to whether your occupation is excluded, please contact your financial adviser or contact us on our customer helpline on 0800 634 7471. Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

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 HMRC 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
- and health

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

Can my payments change in the future?

Yes, you may need to take out a top-up plan which will mean an increase in your payments in the future if they no longer cover the cost of your life cover. This will depend on:

- the amount of life cover you choose
- the performance of your investments
- our claims experience (i.e. the number of claims we receive and the reasons for the claims)
- in addition, for with profits investments, any discretionary adjustments, including any smoothing (please see the “What are the discretionary adjustments?” section on page 06). We may make discretionary adjustments in determining fair payouts and this could result in a higher or lower value. Any such adjustments will not reduce your guaranteed benefits

As long as you make all payments when they are due, your level of life cover is guaranteed for the first 10 years of your plan. We will review your life cover after 10 years, then every five years.
Where are my payments invested?

Your payment is used to buy units in your choice of one or more of our investment funds. Charges, including the cost of life cover, are then taken from the value of your fund. Please see ‘What about 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 and a with profits fund.

Each fund is made up of ‘units’ and we use your payments to buy units in the fund(s) you choose. You can switch funds to change the mix of your investments if you’d like, though there may be conditions and a charge for doing this. It is not possible to switch into or out of with profits. 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.

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

- the price of one unit in each fund depends on the value of the investments
- 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

If you would like more information about the investment-linked funds you can find this online at [www.standardlife.co.uk/funds](http://www.standardlife.co.uk/funds)

If you choose to invest in with profits:

- Our with profits funds are backed by a wide range of assets. These include equities, property, bonds and money market instruments (including cash). The asset mix for each with profits fund can change over time. You can find up-to-date information about the asset mixes by reading our quarterly investment report for our with profits funds at [www.standardlife.co.uk/withprofitsguides](http://www.standardlife.co.uk/withprofitsguides) or call us on 0800 634 7476 for a paper copy. Our call charges will vary.
- With profits unit prices do not directly reflect the value of the underlying investments. Instead, the unit price may benefit from a regular bonus in the form of a daily increase based on the annual percentage rate for Variable Protection Plans. The percentage may be zero
- The with profits unit price is guaranteed not to fall unless a unit price reduction applies. The unit value is equal to the number of units multiplied by the unit price. In addition to the unit value, we may pay a final bonus when units are cancelled

What about tax?

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

We pay tax on investment returns at the rates applicable to life assurance companies. The plan provides a lump sum on death 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 already a higher or additional rate tax payer, or if the chargeable gain on the plan when added to your other income takes you into these tax brackets.

If you cash in your plan within the first 10 years, the lump sum payable may be liable to tax.

If you die before you have cashed in your plan, the lump sum payable may be subject to Inheritance Tax. You may want to talk to a tax specialist about this.

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 HMRC for guidance on this.

Laws and tax rules may change in the future. The information here is based on our understanding in September 2018. Your personal circumstances also have an impact on tax treatment.

What about charges?

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

- The amount of your payment that will be used to buy units is shown in your personal illustration
- 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
• Additional expenses may be deducted from some funds. They include items such as trustees’, registrars’, auditors’, regulators’ fees where a fund invests in other underlying management charges. The additional expenses relate to expenses incurred during the fund management process and, as such, they will regularly increase and decrease as a percentage of the fund, sometimes significantly. Where expenses arise within a fund, they have been taken into account in calculation of the price. You can check what the additional expenses are at standardlife.co.uk

• For investment-linked funds the current fund management charge, as a yearly percentage of your fund, is 0.75%

• For with profits investments, there is no explicit fund management charge or additional expenses, but when we calculate a plan’s with profits value we take deductions for our costs. These deductions are broadly the same as the fund management charges and additional expenses for investment-linked funds with similar assets. In addition, we make deductions, which may vary, for the cost of guarantees provided by the with profits business. These deductions, which may vary, may affect the proceeds you receive from your plan, although they will not reduce any guaranteed benefits

• We take a monthly Service Charge, currently £1.00, from your fund. Please see below for more details on how charges may change, or refer to your personal illustration for more information

• If the value of your fund is less than your life cover, we will take a charge each month to cover the difference. If the life cover is less than the value of your fund then there will be no charge for life cover.

• If you choose Waiver of Premium, we take the cost of providing this cover as a fixed monthly charge (shown in your personal illustration)

• Changing the funds in which your plan is invested is known as switching. We will not normally make a charge for switching between investment-linked funds. However, we reserve the right to charge for switches. It is not possible to switch into or out of with profits.

Your personal illustration shows what you might get back in the future. It details our charges for investment-linked funds and shows the effect they and the deductions for costs for with profits investments may have in reducing the value of your plan over the term of your plan.

We regularly review our charges and expenses and may alter them to reflect changes in our overall costs, or assumptions. Any increases will be fair and reasonable. Deductions for with profits guarantees may increase if our assessment of the cost increases.

Any increases in charges will not increase Standard Life’s profit margins above reasonable levels.

**What are the discretionary adjustments (for with profits investments only)?**

We may make discretionary adjustments:
• in respect of smoothing
• to ensure fair treatment between those who choose to leave with profits and those who remain

**What if I stop paying?**

Your plan would be 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.

When your plan is made paid up, the life cover will be maintained at the level it is at when the plan is made paid up, however the charges will continue to be deducted. Over time, this could reduce the value of your plan to zero. If this happens, your plan will end and life cover will stop.

At any time, you can request a personal illustration that shows the potential effects of stopping your payments. Please contact your financial adviser or us. We strongly recommend that you talk to a financial adviser if you are considering this and before you make a final decision.
Can I change my mind?
You have a legal right to cancel your contract. You have a 30 day period to change your mind. This 30 day period starts from the day you receive your Policy Schedule and Policy Provisions (VPP62PR). During this period, if you decide you want to cancel, you should call us or write to us at the address shown in the ‘How to contact us’ section on page 08, instructing us to cancel the contract. Please make sure that you include your plan number in any correspondence with us. If you decide to cancel, and we have already received payments, we will refund the payments to the person who made them.

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

Please note, it is only the initial payments that you choose to make that will have cancellation rights. If you decide to increase the level of payment in the future, you will not have the right to cancel the increase.

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. If you are invested in with profits we may reduce the price of the units in certain circumstances.

How will I know how my plan is doing?
We will send you a statement each year stating the value of your plan.

You can also call our customer help line on 0800 634 7471 for an update. Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary. Please have your plan number ready when calling.

5. Other information

How to complain
We can send you a leaflet summarising our complaint handling procedures on request.

If you ever need to complain, first write to us at the address shown in the ‘How to contact us’ section on page 8. If you are not satisfied with our response, you may be able to complain to:

Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9GE

Telephone: 0800 023 4567
Fax: 020 7964 1001
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Complaining to the Ombudsman will not affect your legal rights.

Terms and conditions
This key features document only gives a summary of Standard Life’s Variable Protection Plan.

The full terms and conditions, definitions, and exclusions of this plan are given in the Policy Provisions booklet (VPP62PR) and the Policy Schedule. These will be sent to you once your plan starts (if you accept the terms offered), but you can request a copy of the Policy Provisions booklet at any time before then. If you would like a copy please ask your financial adviser or contact us.

We have the right to change some of the terms and conditions. We’ll write and explain if this happens, and send you a copy of anything that has changed.

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

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.standardlifeaberdeen.com/sfcr

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 7471
Calls may be monitored and/or recorded to protect both you and us and to help with our training. Call charges will vary. Please have your plan number ready when calling.

You may prefer to contact us by writing to us at the address below:
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH

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.