



JAMES HAY  
OFFSHORE  
BOND

**TERMS AND  
CONDITIONS**

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You should read the Wrap Offshore Bond Terms and Conditions carefully. This document gives you important information about the Wrap Offshore Bond and forms our standard client agreement upon which we intend to rely. You should read these documents in conjunction with the Wrap Offshore Bond Key Features. If you do not understand any point, please contact your Financial Adviser.

## **WRAP OFFSHORE BOND INTRODUCTION**

The Wrap Offshore Bond consists of a number of separate policies of insurance issued by RL360 Insurance Company Limited (RL360) in the Isle of Man.

In return for your Premium, we will pay the benefits described in these Terms and Conditions to you or to anyone later becoming the legal owner of a policy, at our Registered Office.

The following Terms and Conditions apply to each Policy and shall be subject to and construed in accordance with the laws of the Isle of Man. Each Policy is separately numbered and shown in the Schedule.

## **DEFINITIONS**

In these Terms and Conditions the following words have a specific meaning and where the context allows or requires any reference to the singular includes the plural and reference to the masculine includes the feminine:

**Actuary** means the qualified actuary appointed to act on our behalf in accordance with section 13 of the Isle of Man Insurance Act 1986.

**Capital Redemption** means a Policy Type that will remain in force for up to 99 years at which point it will pay out a Maturity Benefit. Where the policy schedule indicates that this Policy type has been selected, Conditions 12 and 21 do not apply.

**Cash Account** means that part of your Investment Fund that is maintained for cash transactions.

**Charging Date** means the 7th of each month or the next available date that there are sufficient funds within the Cash Account to meet your demands arising under Condition 5(a).

**Commencement Date** means the date against that heading in the Schedule as the date these policies of insurance began.

**Death Benefit** means the lump sum payable on the death of a Life Assured in accordance with Condition 12.

**Endorsement** means an additional schedule to your Policy which sets out a revision or addition to the terms or conditions of your Policy.

**Financial Adviser** means the intermediary, and any separate Investment Manager authorised under the UK Financial Services and Markets Act 2000 (as amended or re-enacted and all regulations under it), as detailed on the Application Form, who provides you with financial and investment advice, and any successors to them appointed by you and notified to us.

**Guaranteed Maturity Value** means the Surrender Value of the Policy plus £100.

**Investment Fund** means that part of our long-term business fund that we maintain only for linking to your Policy. It comprises of your Cash Account and the assets that you or your Financial Adviser have selected.

**Life Assurance** means this Policy.

**Life Assured** means the person or persons, named against that heading in the Schedule.

**Linked Investment** means any type of investment that is allowable under regulation Chapter 9, S.517 – S. 521 ITTOIA 2005 (PPB Regulations). Only exceptions are Pension Scheme and Corporate Applicants. The Linked Investment must also be acceptable to RL360. It is linked to your policy and used to determine its value. Linked Investments are owned by RL360, not you.

**Maturity Benefit** means the amount payable on the Maturity Date in accordance with Condition 13.

**Maturity Date** means the date (if any) shown in the Schedule.

**Monthly Anniversary** means the date in each month that corresponds with the Commencement Date, except where there is no corresponding date it means the last day of the month.

**Monthly Valuation Date** means the Commencement Date and each Monthly Anniversary falling in the calendar month immediately preceding the relevant Charging Date.

**Nominee** means a company appointed by us to hold investment assets on our behalf from time to time.

**Notice** means written confirmation to us at our Registered Office.

**Policy** consists of the Terms and Conditions of the agreement between you and us as set out in:

- 1) The Application Form
- 2) This edition of the Wrap Offshore Bond Terms and Conditions booklet
- 3) The Schedule
- 4) Any Endorsement
- 5) Any document that evidences a change in the agreement between you and us.

**Policyholder** means the person or persons shown against that heading in the Schedule or anyone later becoming the legal owner of the Policy.

**Policy Type** means a Capital Redemption or Life Assurance Policy as indicated in the Schedule.

**Premium** means an amount of money which is payable by you to RL360 and is detailed in your Policy Schedule and any future Endorsements.

**Registered Office** means International House, Cooil Road, Douglas, Isle of Man, IM2 2SP, British Isles.

**Schedule** is the document which sets out the specific details of the Policy that you have chosen.

**Standalone Offshore Bond** Your Wrap Offshore Bond is issued by RL360 Insurance Company Limited. It is possible that your Wrap Offshore Bond may be removed from the Wrap platform but you should be aware that the Wrap Offshore Bond terms and conditions will change and there will be restrictions placed on your bond. The restrictions and applicable terms and conditions can be supplied on request. You should seek financial advice before proceeding.

**Surrender Value** means the value of your Policy determined in accordance with Condition 11.

**Us, we, our** means RL360 Insurance Company Limited whose Registered Office is in the Isle of Man.

**Wrap Portfolio** means the portfolio of products, including bank accounts, held by you or on your behalf using services according to the Wrap Terms and Conditions which have been provided to you separately.

**You, your** means the Policyholder for the time being.

## **INVESTMENTS**

### **1. Investment**

Your investment is managed, subject to the Terms and Conditions of this Policy, as a separate and identifiable Investment Fund held in the name of Our Nominee and forms part of Our long-term business fund.

### **2. Additional Premiums**

Subject to the minimum amount, You may pay additional Premiums at any time.

Each additional Premium must be in a form acceptable to Us and will be subject to the then current minimum and such Terms and Conditions as will be set out in the Endorsement issued at the time.

### **3. Your Investment Fund**

Your Investment Fund is maintained solely for the purpose of determining the benefits under Conditions 11, 12 and 13 below.

Your Investment Fund can be invested in any type of asset that is permissible under the then current legislation, subject to such Terms and Conditions as We may determine from time to time.

Income from the assets of the Investment Fund accrues to and forms part of the Investment Fund.

## **4. Selecting Assets within Your Investment Fund**

The only permissible assets of the Investment Fund must be structured as follows:

- a) A UK authorised Unit Trust within the meaning of section 468 UK Income and Corporation Taxes Act 1988
- b) A UK investment trust within the meaning of section 842 UK Income and Corporation Taxes Act 1988
- c) An Open Ended Investment Company (OEIC) within the meaning of section 236 of the UK Financial Services and Markets Act 2000
- d) An interest in a collective investment scheme which is constituted:
  - (i) by a company, not being an Open Ended Investment Company, which is resident outside the UK
  - (ii) by a Unit Trust scheme, the trustees of which are not resident in the United Kingdom
  - (iii) by any arrangements which do not fall within paragraph (i) or (ii), which take effect by virtue of the law of a territory outside the United Kingdom and which, under that law, create rights in the nature of co-ownership, or
  - (iv) in a jurisdiction acceptable to Us.
- e) Cash deposits as made available by Us.

Where We accept an asset We will only consider its acceptability. We will not check to see if it is suitable to meet Your needs. We will not provide You with any investment advice at any time.

We will not be responsible for the loss of an investment opportunity as a result of a decision not to accept a Linked Investment. In

addition We will not be responsible for any monetary loss which may occur as the result of a delay whilst considering whether a Linked Investment is acceptable.

We reserve the right, at our absolute discretion and without giving a reason, to decline an asset. We also reserve the right to amend the permissible assets at any time provided that at all times no investments linked to Your Policy would result in a tax charge under the Income Tax (Trading and Other Income) Act 2005 section 515 (or any other statutory enactments).

By giving Notice, You or Your Financial Adviser can determine which of the assets made available by Us make up Your Investment Fund.

## 5. Cash Account

- a) The Cash Account is used to meet:
- (i) Policy charges as they fall due in accordance with Condition 10 below
  - (ii) requests for withdrawals under Condition 14 or 15 below.
- b) You need to maintain sufficient cash in Your Cash Account to meet the cash demands arising under Condition 5(a) above by giving Us instructions to sell such assets of the Investment Fund as will be required to raise such cash sums.
- c) If the cash balance in Your Cash Account is not sufficient to meet the cash demands under Condition 5(a) above and we have not received instructions under Condition 5(b) above by the time the amounts are due for payment We shall:
- (i) sell such assets of the Investment Fund as We shall in our absolute discretion decide is needed to meet the Policy charges that have been missed,

- (ii) defer payment of withdrawals under Condition 14 or 15 until we receive Your instructions in accordance with 5(b) above.
- d) The Cash Account will accrue interest that will be applied to the account at the end of each calendar month at a rate determined by Us.

## 6. Valuation of Your Investment Fund

The Investment Fund to which this Policy is linked will be valued in full and a Policy valuation report issued half yearly.

Should You request additional valuation information We reserve the right to make a charge. The level of such charge will be available on enquiry to Us.

## 7. Investment Fund Charges

All expenses and outgoings in respect of assets of Your Investment Fund are met within the Wrap Portfolio or reflected in the asset price.

There are no additional Investment Fund charges under this Policy unless it becomes a Standalone Offshore Bond.

## 8. Removing Assets from an Investment Fund

We reserve the right to sell any asset within the Investment Fund at Our absolute discretion. This shall include circumstances where We no longer permit such an asset or are unable to determine its value.

In the event of such sale the proceeds will be added to the Cash Account.

## 9. Deferment of Payment

We may defer the payment of any amount to You if this results in the need to sell assets of the Investment Fund that may not be readily realisable.

## CHARGES

### 10. Policy Charges

#### a) A Percentage Administration Fee

A percentage administration fee based on the Policy value calculated at the Monthly Valuation Date will be taken from the Cash Account on each Charging Date at the rate shown in the Schedule.

#### b) Transaction Charges

All transaction charges are met within Your Wrap Portfolio and are set out in the charges schedule of Your Wrap Portfolio.

#### c) Additional Policy Charges

There are additional charges within Your Policy if it becomes a Standalone Offshore Bond.

## BENEFITS

### 11. Surrendering your Policy

You may surrender Your Policy at any time by giving Notice and subject to such evidence as We may require at that time.

The cash sum payable will be the Surrender Value. This will be the selling or disposal value of the assets allocated to Your Investment Fund, calculated at the next available dealing day following receipt of Notice.

When We pay this benefit the Policy will come to an end.

### 12. Death Benefit

The sum payable on death of the only or last Life Assured will be:

- a) For lives less than age 75 on death, 101% of the Surrender Value calculated as at the date of notification of death, or
- b) For lives age 75 or over on death, 100.1% of the Surrender Value calculated as at the date of notification of death, subject to such evidence as we may require at that time.

Subject to the specifics of the claim, RL360 may require sight of Manx Probate

When We pay this benefit the Policy will come to an end.

**13. Maturity Benefit (only applicable if the Policy Type is Capital Redemption)**

On the Maturity Date the sum payable will be the greater of:

- a) The Cash in Value, or
- b) The Guaranteed Maturity Value, subject to such evidence as we may require at the time.

If before the Maturity Date options under conditions 14 and 15 are exercised, we will reduce the Guaranteed Maturity Value by the value of any payment. The reduction will be in the same proportion as the reduction in the value of the policy following the relevant payment.

When we pay this benefit, the Policy will come to an end.

**OPTIONS**

**14. Regular Withdrawals**

You may, by giving Notice, request the automatic withdrawal of a cash sum from the Investment Fund each year, half year, quarter or month. Such withdrawals can be a fixed amount or a percentage of the Investment Fund and shall be taken equally from each individual Policy. They shall be on such payment dates as We may allow from time to time and shall not be less than Our then permitted minimum for the frequency requested. In addition, the remaining value of the Investment Fund shall not fall below the then permitted minimum value. In addition, if a withdrawal would take the remaining value of the Investment Fund below Our then permitted minimum value We will notify You so that You can select whether to reduce the value

of the withdrawal or surrender Your Policy in accordance with Condition 11 above.

You will also be required to give instructions to sell such assets of the Investment Fund as will be required to raise such cash sums.

**15. Occasional Withdrawals**

You may, by giving Notice, request that We sell such assets within Your Investment Fund as may be necessary to produce a single cash withdrawal. Such withdrawals shall be taken equally from each individual Policy unless You request that a specified number of individual Policies are surrendered in full, in accordance with Condition 11.

Such withdrawals shall not be less than Our then permitted minimum. In addition, the remaining value of the Investment Fund shall not fall below the then permitted minimum value. In addition, if a withdrawal would take the remaining value of the Investment Fund below Our then permitted minimum value We will notify You so that You can select whether to reduce the value of the withdrawal or surrender Your Policy in accordance with Condition 11 above.

**16. Assignment**

You may assign Your Policy to another party by giving Us Notice of the third party to whom it is to be assigned and the date the assignment is due to take place. However, acceptance of such assignment will be subject to such Terms and Conditions that We may require at that time and We reserve the right to make such a Policy a Standalone Offshore Bond.

**GENERAL**

**17. Lapse**

Your Policy will lapse without value and come to an end should the assets of Your Investment Fund reduce in value to zero.

**18. Legislation**

Notwithstanding anything in this Policy, if there are any changes in a requirement or interpretation of law, regulation (statutory or otherwise) or You move to a jurisdiction outside of the United Kingdom and its laws or regulations directly or indirectly affect this Policy, Us or any of Our assets, We may make such adjustments to the Terms and Conditions of this Policy and at such time as We consider necessary to prevent infringement of such law or regulation.

Such action may include but is not limited to restricting the ability to pay additional premiums, changing the assets of the Investment Fund and exercising any other options under the Policy.

We will also be entitled to make such alteration to the Terms and Conditions of this Policy as We consider appropriate in respect of any levy or other charges payable by Us for the protection of policyholders pursuant to any existing or future requirements of law or regulation (statutory or otherwise).

**19. Notification of a Change of Personal Circumstances**

Should You, or any one of You, or a Life Assured, change residence, citizenship or domicile or You, or any one of You, cease to be resident in the UK for tax purposes You must notify Us by giving Notice within three months of the relevant event.

We reserve the right to alter the benefits payable under the Policy or otherwise amend the Terms and Conditions of the Policy as deemed appropriate, if notification is made outside of this period.

**20. Taking up Residence Outside of the United Kingdom**

Should You or any one of You, at any time whilst owning this Policy cease to be resident in the United Kingdom We reserve

the right to make this Policy a Standalone Offshore Bond. However, if the value of Your Investment Fund at that time is below Our current permitted minimum, We reserve the right to pay the Surrender Value to You in accordance with Condition 11 and bring Your Policy to an end.

### **21. Proof of Age**

The age of the sole or last Life Assured must be proved before the Death Benefit is paid. If the age has been incorrectly stated in the Application Form or Schedule, the terms of the Policy will be adjusted by the Actuary to such terms as are considered appropriate having regard to the true age.

### **22. Changes**

Notwithstanding Condition 18 if, in Our opinion, the Terms or Conditions of the Wrap Offshore Bond should be changed We will give at least 3 months' written notice to You at Your last recorded address.

We may, acting on professional actuarial or legal advice, vary the Wrap Offshore Bond Terms and Conditions if it ceases to be reasonably practicable for Us to meet existing obligations as a result of:

- A change (introduced, enacted or proposed) in legislation, order, regulation or directive, or

- A change in the interpretation or application of legislation, order, regulation or directive, or
- Compliance with any request from any regulatory authority, or
- The basis of taxation applying to the Wrap Offshore Bond changing,
- A requirement to pay a levy or other charges for the protection of policy owners under any existing or future law or regulation, statutory or otherwise, or
- If the operation of this Wrap Offshore Bond would in any way cause it to fail to meet the requirements of a non-qualifying life insurance policy within the terms of the UK Income and Corporation Taxes Act 1988, or
- For any other reason which is valid.

### **23. Tax**

RL360 will not be responsible for any tax liability that may arise as a result of Your country of residence, citizenship or as a result of transactions that You may instruct Us to carry out. This includes, where appropriate, tax charges applied as a result of holding Linked Investments that are not allowable under the UK Income Tax (Trading and Other Income) Act 2005 section 515 (or any statutory re-enactment thereof).

RL360 Insurance Company Limited

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Registered Office: International House,  
Cooil Road, Douglas, Isle of Man, IM2 2SP,  
British Isles. Registered in the Isle of  
Man number 053002C. RL360 Insurance  
Company Limited is authorised by the  
Isle of Man Financial Services Authority.

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