

Key features of the Investment Bond



Helping you decide

This **important document** gives you a summary of the Zurich Investment Bond. Please read this with your illustration **before** you decide to invest, and keep it for future reference.

Contents

The Financial Services Authority is the independent financial services regulator. It requires us, Zurich Assurance Ltd, to give you this important information to help you to decide whether our Zurich Investment Bond 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.

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The Zurich Investment Bond

The Zurich Investment Bond enables you to invest in a range of funds with the potential for growth while providing an element of life cover. Your adviser will help you decide if the Zurich Investment Bond is right for you.

Its aims

What this investment bond is designed to do

- Increase the value of the money you invest.
- Allow you to withdraw your money if you choose.
- Allow you to choose from a range of funds to match your investment objectives and attitude to investment risk.
- Pay a cash sum when the last life insured dies.

Your commitment

What we ask you to do

- Seek financial advice. If you don't, your decisions may not be appropriate.
- You should seek financial advice:
 - before making any decision to invest
 - regularly while your money is invested
 - when your financial circumstances change.
- Look to invest for at least five to ten years.

Risk factors

What you need to be aware of

- The value of your investment bond can go down and you may get back less than you invested.
- The level of risk and potential investment performance differs depending on the funds you choose.

Please read the [Zurich Investment Bond – Life funds specification](#) for the fund risks.

Other documents you should consider reading

This document gives you key information about the investment bond. If you want more detail on specific points, please read the following documents. We have highlighted when they are relevant throughout this document.

Zurich Investment Bond – Life funds specification

Gives you details of the available funds; including their risks, objectives and charges and expenses.

Fund factsheets

There is a fund factsheet for every fund available to you. It tells you what the fund is designed to do.

Zurich Investment Bond terms and conditions

Gives you the full terms and conditions that apply to the Zurich Investment Bond.

They are all available from your adviser or direct from us. Our contact details are on page 11.

Questions and answers

Before you invest

Is the Zurich Investment Bond right for me?

It may be right if you:

- are looking for potentially higher investment returns than a typical bank or building society account
- understand and accept the risks of these types of investments
- can invest for at least five to ten years
- are looking at inheritance tax planning.

Who can invest?

To take out an investment bond, one life insured must be:

- aged 79 or under at the start of your investment bond (for joint life bonds, this applies to the younger life insured).

You can take out an investment bond in your own name, jointly for you and someone else, or as a trustee for someone else.

How can I invest?

You can make investments in writing by choosing one of the following options.

Single payments

You must make a first payment of at least £5,000.

You can make additional single payments to your investment bond. The current minimum amount is £1,000. We may change this in the future.

Phased investment

The phased investment option allows you to put your payment in the Secure fund and drip-feed this money into your chosen fund(s) over the following five months.

We'll initially allocate only one-sixth of your payment to the fund or funds you choose. We'll put the rest in the Secure fund. We'll then make the following transfers:

- One month later we'll transfer one-fifth of the units in the Secure fund to your fund or funds.
- Two months later we'll transfer one-quarter of the remaining units.
- Three months later we'll transfer one-third of the remaining units.
- Four months later we'll transfer half of the remaining units.
- Five months later we'll transfer the remaining units in the Secure fund to your fund or funds.

You can cancel the phased investment option at any time.

Please read the [Zurich Investment Bond – Life funds specification](#) for more information on the Secure fund.

How and where will my payments be invested?

We invest your payments in the funds you choose by buying units in these funds. Each fund is divided into units of equal value. The value of your investment bond is based on the total number of units you have in each fund. The value of each unit depends on the value of the investments in that fund and the value of the units will fall and rise depending on the fund's investment performance. So will your investment bond value.

Each fund invests in one or more asset type. These include money market instruments, equities, bonds, gilt and fixed-interest securities, derivatives and property. Each asset type brings different risks.

You can choose to invest in one or more of the funds in our range. The funds are managed by our primary fund manager, Threadneedle.

**Please read the
Zurich Investment Bond
– Life funds specification
for more details.**

What are the charges?

Your illustration gives details of the charges and how they affect the value of your investment over time, based on assumed growth rates.

What about tax?

Currently we pay tax on income and capital gains and we allow for this in the price of the units. Under current UK legislation you won't have to pay basic-rate income tax or capital gains tax on your investment, although you can't reclaim any of the tax we have paid.

If you are a higher-rate taxpayer, you'll pay tax on any profit you make when you cash in your investment bond. If you make withdrawals or close your investment bond, you need to consider any income tax liability you may incur. You won't have an immediate liability to pay income tax on your withdrawals if the total amount you take out in any year is 5% or less of the total amount you have paid into your investment bond. You can carry forward this 5% allowance to future years if you don't use it and still have no immediate liability to income tax. You can take these withdrawals until you have taken out an amount equal to the amount invested. Once you have taken out more than you have invested, or exceed your 5% allowances, you'll have to pay tax, if you're a higher-rate taxpayer.

Taking any money from your investment bond could affect any age related allowance or children's tax credit you're entitled to.

When you die, depending on the value of your estate, inheritance tax may be due on some or all of the cash-in value of the investment bond.

If the investment bond is held by trustees, different taxation rules may apply.

We've based this information on our understanding of current UK law and HM Revenue & Customs practice. Future changes in law and tax practice or in individual circumstances could affect the amount of tax you pay.

You should speak to your adviser to find out how tax may affect your investment.

While you are invested

Can I move money between funds?

Yes. As your financial circumstances change, you can move your money between funds. We call this 'switching'. To switch funds we need your written and signed instructions.

We currently only make a charge for switching if you switch more than 12 times in any 12-month period. If in the future we decide to change this, we'll tell you. Switching may result in higher fund charges depending on the funds you are switching between.

How will I know how my investment bond is doing?

We'll send you a statement each year to show the current value of your investment bond.

You can check our website www.zurich.co.uk/life to see how your funds are performing.

You can also ask your adviser for an up-to-date value or call Customer Services on 0870 514 3624.

Can I take money out?

Before making any withdrawals from your investment bond you should consider any exit penalties and the effect of any tax liability you may incur. As any tax liability will depend on your personal circumstances you should speak to your adviser.

You can take money out regularly or make one-off withdrawals at any time by writing to us at the address in the '**How to contact us**' section on page 11.

We'll pay the money directly to your bank or building society or send you a cheque.

Regular withdrawals

You can choose to take withdrawals monthly, quarterly, four-monthly, half-yearly or yearly as:

- a fixed percentage of the fund value
- a fixed amount. You can also choose for this to increase automatically each year:
 - in line with the National Average Earnings Index
 - in line with the Retail Prices Index
 - by a fixed percentage.

You can change the amount or frequency of your regular withdrawals or stop them.

The maximum regular withdrawal each year is 10% of your investment bond's value at the time you take the withdrawal.

One-off withdrawals

If you make a one-off withdrawal within five years of making a payment, we may apply an early cash-in charge.

If you want to continue with your account, you must leave at least £1,000 invested. This minimum may change in the future.

If the withdrawals you take are more than any investment growth produced, this will reduce the value of your investment bond.

Closing your investment bond

Can I close my investment bond?

You can close your investment bond by writing to us at the address in the **'How to contact us' section on page 11**.

If you close your investment bond within five years of making a payment, we may apply an early cash-in charge.

What might I get back?

Your illustration shows how much you might get back based on assumed growth rates.

What you get back depends on the value of your investment bond when you decide to cash it in. The amount is not guaranteed.

The value of your investment bond depends on:

- how much you invest
- how long your money is invested
- how well the funds you choose perform
- how much money you take out
- charges
- the amount of any loyalty bonus we choose to pay if you keep your investment bond for at least ten years.

What happens to the investment bond if I die?

We'll pay out a lump sum when the life insured dies. This lump sum will be the higher of:

- 101% of your investment bond's value
- your total payments less any withdrawals.

If the investment bond has more than one life insured, we'll pay the lump sum when the last life insured dies.

Cancelling your investment bond

Can I change my mind and cancel?

Yes, you can. When we issue your investment bond documents we'll send you details of how to cancel your investment bond. You will have 30 days from receiving these documents to do this. If you decide to cancel we'll give you your money back unless the fund value has fallen in which case you will not get back the full amount you paid in.

You can also cancel before you receive your investment bond documents by calling us or your adviser.

Other information

We classify you as a 'retail client' under Financial Services Authority rules. This means you'll receive the highest level of protection for complaints and compensation and receive information in a straightforward way.

How to complain

If you need to complain, please see the 'How to contact us' section on page 11.

You can ask for details of our complaints handling process. This is also on our website www.zurich.co.uk.

If you're not satisfied with our response, you can complain to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
UK

Telephone: 0845 080 1800

Email: complaint.info@financial-ombudsman.org.uk

This service is free and using it won't affect your legal rights.

Compensation

If we're unable to meet our financial obligations in full, you may be entitled to help from the Financial Services Compensation Scheme (FSCS).

The compensation you'll receive will be based on their rules.

If you need more information, you can contact the FSCS helpline on 020 7892 7300, write to the address below or visit the website www.fscs.org.uk.

Financial Services Compensation Scheme
7th Floor, Lloyds Chambers
1 Portsoken Street
London
E1 8BN
UK

Your adviser will recommend products that are suitable for your needs.

You have a legal right to compensation if an authority decides that a recommendation was unsuitable when it was made.

Terms and conditions

This key features document gives a summary of the Zurich Investment Bond. It doesn't include all the definitions, exclusions, terms and conditions.

We'll send you a copy of the full terms and conditions when your investment bond starts. If you'd like a copy before then, please contact us direct.

We'll let you know if there are changes to the terms and conditions.

Law

The investment bond is governed by the law of England.

Our regulator

We are regulated by the Financial Services Authority (FSA). We are entered on its register under number 147672. You can find this on the website www.fsa.gov.uk or telephone the FSA on 0845 606 1234.

Communicating with you

Our investment bond documents and terms and conditions are in English and all our other communications with you will be in English.

How to contact us

If you have any questions before you invest, you can write or phone:



Write to

Zurich Assurance Ltd
The Grange
Bishops Cleeve
Cheltenham
Gloucestershire
GL52 8XX
UK



Phone: 0870 514 3624

Monday to Friday 8am to 6pm
(we are not open on bank holidays).
We may record or monitor calls to improve our service.

An answerphone is in operation outside office hours.

Keep in touch

It's important we keep in touch so, if you change your address, or any of your contact details, please let us know.

We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in large print or braille, or on audiotape or CD.

If you are a textphone user, we can answer any questions you have through a Typetalk operator. Please call us on **18001 0870 514 3624**. Or, if you prefer, we can introduce your adviser to a sign language interpreter.

Please let us know if you would like a copy of this in large print or braille, or on audiotape or CD.

