



## KEY FEATURES

# Directions

This leaflet sets out the main points about our Directions plan. Your personal illustration shows the cover the plan provides and what you may get back in the future. Please read both carefully and keep them with your Plan documents if you go ahead.

### ITS AIMS

- To pay a tax-free cash sum for your dependants when you die.
- To pay the tax-free cash sum earlier if you suffer a critical illness or disability and you've chosen to include this benefit.
- If we pay out, the Plan will end.
- To let you adjust the balance between protection and savings if your needs change in the future.

### YOUR COMMITMENT

- To make monthly or yearly payments throughout your lifetime.

### RISK FACTORS

- You may need to increase your payments in the future to keep the same protection level, or you may need to reduce your protection level, if:
  - the investments don't perform well enough
  - charges for investment management and providing protection benefits are higher than expected
  - our claims experience is worse than expected.
- We don't guarantee what you'll get back in the future. This depends on how well the investments perform. The value can go up and down. You could get back less than you've paid in.

*continued overleaf*



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## RISK FACTORS *continued*

- If you cash in your plan, you may get back less than your illustration shows. This could happen for several reasons, for example if:
  - investment performance is lower than shown
  - our charges are higher than shown
  - you invest in our With Profit Fund and we have to set aside more of the underlying investment value to cover the cost of guarantees (see below) or apply a market value reduction (we explain this term on pages 4 and 5).
- If you invest in our With Profit Fund, we set aside some of the underlying investment value to help cover the cost of the guarantees we provide to you and to other With Profit Fund investors. At 2005 levels, this has the same effect as reducing the investment return on your With Profit Fund units by around 0.5% a year. We regularly review the amount we need to set aside and it can go up or down. Please see pages 4 and 5 for more information.
- Past performance is no indicator of future performance.
- There may be no cash-in value in the first few years because of the effect of charges and possible investment falls. The cash-in value may be small, even after many years. It can even go down in later years because the cost of protection increases as you get older.
- We may not pay out if you do not give us all the information we ask for when you apply.
- We don't cover some causes of claims. Please see 'What will stop the Plan paying out?' on page 4.

## WHAT IS DIRECTIONS?

- Directions is a flexible plan that can protect you all your life. It pays out your chosen cover level as a cash sum when you die or if you are diagnosed as suffering from a terminal illness. You can change the cover level in the future to match your needs.
- You decide how much cover you need. You can choose minimum cover or maximum cover, or any level between. Your personal illustration will show the covers available for your chosen payment level, and your chosen protection level which we initially guarantee for ten years.
- The higher the protection level relative to your payments, the more likely you'll need to increase your payments in the future to keep the same protection level.
- The lower the protection level, the greater the proportion of your payments that'll stay invested in your Plan to build up a cash-in value.
- You can set the Plan up on your life. If you die, we'll pay the guaranteed life cover or the cash-in value if higher.
- You can set it up on another person so we pay the life cover if they die.
- You can set it up on two lives so we pay the life cover on the first death only, or on the second death only.
- The person setting up the Plan must be aged 18 or over. If you set it up on someone else's life they must be aged 18 or over.
- If you write the Plan in trust, we'll pay the life cover to the trustees.
- If we pay the life cover, the Plan will end.

## HOW FLEXIBLE IS IT?

- You can increase the protection up to the maximum cover level, or reduce it to the minimum cover level, on any Plan anniversary to match your needs. We may ask for evidence of your health for increases in cover.
- If you're aged under 55 and in good health when the Plan starts, we'll include our special events option. This allows you to start extra Plans on special events within the first 15 years of the Plan. We won't ask for evidence of your health, occupation or pastimes at the time. The special events are:
  - your marriage
  - the birth or legal adoption of a child.

## WHAT OTHER BENEFITS CAN I CHOOSE?

- If you're in good health and in an acceptable occupation, you can normally include the benefits below from the start for an extra charge.

### WAIVER BENEFIT

- If you're aged under 55, you can include this benefit. Then if you're ill and can't do certain basic tasks for six months or more, we'll keep your payments going for you until you recover, or until you are 60. If you set up the Plan on two lives then either you or your partner can include this benefit.

### CRITICAL ILLNESS AND DISABILITY BENEFIT

- If you're aged under 55 you can include this benefit. Then if you're diagnosed with a critical illness or disability we cover, we'll pay out the life cover early and the Plan will then end.
- For Plans set up on two lives, you can include critical illness and disability benefit on first death Plans only. You must both be aged under 50 (under 40 if either

of you is a smoker). If one of you is diagnosed with a critical illness or disability we cover, we'll pay out the life cover early and the Plan will then end.

## WHAT IS INCLUDED IN THE CRITICAL ILLNESS COVER?

- The complete list of conditions we cover is as follows:
  - Alzheimer's Disease/Pre-Senile Dementia (before age 65)
  - Aorta Graft Surgery
  - Bacterial Meningitis
  - Benign Brain Tumour
  - Blindness
  - Cancer
  - Coma
  - Coronary Artery By-pass Surgery
  - Creutzfeldt-Jakob Disease
  - Deafness
  - Heart Attack
  - Heart Valve Replacement or Repair
  - Kidney Failure
  - Loss of Limbs
  - Loss of Speech
  - Major Organ Transplant
  - Motor Neurone Disease
  - Multiple Sclerosis
  - Open Heart Surgery
  - Paralysis/Paraplegia
  - Parkinson's Disease (before age 65)
  - Progressive Supra Nuclear Palsy
  - Stroke
  - Third Degree Burns
  - Permanent and Total Disability (before age 60)

*Some exclusions apply. We strongly recommend that you read our International Critical Illness and Disability Benefit Simplified Guide (XIN28/E) for the full definitions of critical illnesses and permanent and total disability eg 'Cancer' does not include all forms of cancer.*

## WHAT WILL STOP THE PLAN PAYING OUT?

- We won't pay a critical illness claim:
  - if it is due in any way to war, civil commotion, self-inflicted injury, alcohol or drugs
  - if the cause is one we specifically exclude when we accept your application
- We won't pay a permanent and total disability claim if it is due in any way to war, civil commotion, HIV/AIDS, self-inflicted injury or drug abuse.
- We won't pay a waiver benefit claim if it is due in any way to war, civil commotion or HIV/AIDS.
- We will not pay a claim for Terminal Illness Benefit if the illness is due to the Life Assured carrying a Human Immunodeficiency type virus or antibodies to such a virus.

## WHAT WILL MY PAYMENTS BE?

- Your payments will depend on:
  - how much cover you need
  - whether you choose minimum or maximum cover, or any level between
  - what other benefits you choose
  - your age, sex, and whether or not you smoke.
- Your personal illustration will show your chosen protection level and the payments you need to make.
- The minimum payment is £15 a month (by direct debit) or £150 a year (by direct debit or cheque).

## CAN MY PAYMENTS CHANGE IN THE FUTURE?

- We guarantee your protection level for the first ten years. After this we'll review your Plan every five years (yearly from age 70) to work out how much protection we can provide in the future.

- If the review shows we can carry on your protection level, we'll guarantee it until the next review.
- We may not be able to carry on your protection level. This may be because your cash-in value has not grown enough, because of your increased age or because of poor claims experience. If so, you'll need to decide between:
  - increasing your payments
  - keeping your payments the same and reducing the protection level.

## WHERE ARE MY PAYMENTS INVESTED?

- We invest part of your payments in the funds you choose and use part to cover charges.
- We offer a wide range of investment funds plus our With Profit Fund. These are managed by our investment specialists F&C Asset Management plc. You can invest in up to 10 at any one time. If you don't make a choice, we'll invest your payments equally between our Managed Fund and With Profit Fund. Please see the Directions brochure for more details.
- Directions is a unit-linked plan. We divide each fund into units and your payments buy units in the funds you choose. The price of a unit depends on the value of the investments in the fund. Our investment specialists manage these funds with the aim of increasing the value of units you hold.
- We work out the value of your Plan based on the total number of units you have in each fund. If the unit prices go up or down, so will your Plan value.
- If you want to, you can switch between funds. The first two switches in each Plan year are free. We charge £25 for each subsequent switch in the same Plan year.
- The performance of the With Profit Fund depends on the investment profits and losses the fund makes and on the decisions we take about their distribution. We

don't guarantee future bonuses. Before investing, it's important you read our With-Profits Summary. If you haven't received this, please contact us now. The summary explains the main points about with-profits, our current approach to managing the fund and deciding bonus levels, and the factors that can influence the value of your investment.

- As part of our With Profit Fund smoothing policy, we set aside some of the underlying investment value each year. This is to help cover the cost of the guarantees we provide to you and other With Profit Fund investors (we explain the guarantees we provide to you later in this section). At 2005 levels, this has the same effect as reducing the investment return on your With Profit Fund units by around 0.5% a year. If your personal illustration shows some or all of your payments invested in the With Profit Fund, the illustrations of future benefits assume we've taken this off. We regularly review the amount we need to set aside and it can go up or down. If we don't need all the amount set aside, we'll use it to improve returns. Please see our With-Profits Summary for the latest information on how much we're currently setting aside.
- We may apply a market value reduction if you cash in or switch With Profit Fund units in some circumstances. We will apply this if we consider it necessary to safeguard the interests of other investors. For example, we may apply it during depressed market conditions when many investors are cashing in. The effect is to lower the unit price to reflect more accurately the reduced investment values.
- We guarantee we won't apply this reduction:
  - if we pay the life cover or critical illness and disability benefit
  - if you cash in at the Plan anniversary before age 65 or the tenth Plan anniversary if later.

## WHAT ARE THE CHARGES?

- We charge for managing your Plan and the investments. We take charges in the following ways:
  - as deductions from each payment (in the early years we take all of each payment in charges)
  - as management charges out of the fund value over the lifetime of your Plan
  - as life cover and disability benefit charges by cancelling units each month.
- Your illustration shows our charges and the effect charges and expenses have on reducing the value of your Plan over its lifetime.

## WHAT IF I STOP PAYING?

- If your circumstances change and you're unable to keep up your payments, talk to your financial adviser straight away. He or she will explain the choices open to you.
- If you miss a payment we'll keep the Plan going for up to four months but only if there's a cash-in value. We'll still charge for the protection benefits but we'll suspend the waiver benefit, if included, and any options to increase cover. We'll reinstate all benefits if you make up the missed payments within this period. If the Plan doesn't have a cash-in value, or if it reduces to nil, we'll stop the Plan straightaway.
- After this period, if the Plan has a cash-in value under a set level, £500 currently, we'll stop the Plan and pay the cash-in value to you. If the cash-in value is above the set level, we'll make the Plan 'paid up'.
- If we make the Plan 'paid up', you won't be able to make any more payments. We'll carry on cancelling units to cover the cost of the life cover and any critical illness and disability benefit. We'll cancel all other benefits and options. If the cash-in value subsequently reduces to nil, we'll stop the Plan immediately.

## WHAT IF I CASH IN MY PLAN?

- You can cash your Plan for the value of units at any time, after your payments have started to buy units. We show when we anticipate we will start to buy units, and give example cash-in values in the illustration.
- Please remember we've designed the Plan to provide protection. If you cash it in, especially in the early years, you're likely to get back less than you've paid or maybe even nothing. If your priority is savings, we recommend that you discuss the alternatives with your financial adviser.
- The cash-in value in the future depends on several things. For example, how long you invest for, how well the investments perform and the charges we take. We don't guarantee the value as it can go up and down.
- If you cash in With Profit Fund units we may apply a market value reduction as explained earlier.

## WHAT ABOUT TAX?

- As the Plan is a 'Qualifying Policy' under current UK legislation you will have no personal liability to UK income tax or capital gains tax at any time under your Plan. There are taxes on the income the funds receive and these are reflected in the unit prices.
- If you stop Contributions to your Plan within the first ten years (or within ten years after any significant variation), the UK tax treatment of the policy will change. When we pay out the death benefit or the surrender value of the policy, if you are UK resident for tax purposes you may be liable to higher rate income tax on any gain and any income-related tax allowance or credit may be reduced. Any personal tax liability will depend on your country of residence and your personal circumstances. We recommend you consult your Financial or Legal Adviser for details on your tax position. Tax legislation may change.

## WILL I GET REGULAR UPDATES ON MY PLAN?

- We'll send you a yearly statement to show how your Plan is doing.
- You can check our website [www.fpinternational.com](http://www.fpinternational.com) to see how the funds are performing.
- You can also ask for an up-to-date statement.

## FURTHER INFORMATION

### CAN I CHANGE MY MIND?

You have a right to change your mind. We will remind you of this right by post when we set up your Plan. You can cancel your Plan up to 30 days after you get our reminder. This is a legal right except for unit-linked plans taken out only by telephone or post, when we give you this right voluntarily.

If you decide you don't want the Plan, let us know in writing within the 30 days and we will give you your money back.


The easiest way to cancel is to complete the 'Cancellation Form' we send you with the reminder and return it to us at Friends Provident International, UK House, Castle Street, Salisbury, Wilts SP1 3SH, England, but please remember to include your full name and address and state that you wish to cancel your Plan.


If you don't cancel within 30 days, your Plan will continue as set out in these key features and the terms and conditions.

## HOW TO CONTACT US

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

If you have any questions, you can phone us, send a fax or e-mail, or write to us.

 Call us on +44(0) 1722 311611, Monday to Friday, between 8am and 5.30pm (GMT).  
We may record calls to improve our service.

 Fax us on +44(0)1722 332005.

 e-mail us at [fp.int@friendsprovident.co.uk](mailto:fp.int@friendsprovident.co.uk)

 Write to us at Friends Provident International,  
United Kingdom House, Castle Street, Salisbury,  
Wilts SP1 3SH, England

To cash in your Plan, or to switch from one fund to another, please write to us at the address above.

## HOW TO COMPLAIN

Please write to our Customer Relations Manager at Friends Provident International, United Kingdom House, Castle Street, Salisbury, Wilts SP1 3SH, England. If you are not satisfied with our response you may contact:

Financial Ombudsman Service (FOS),  
South Quay Plaza, 183 Marsh Wall,  
London, E14 9SR, England.

Telephone: +44(0) 845 080 18010

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint won't affect your legal rights.

## TERMS AND CONDITIONS

This leaflet sets out the main points about the Plan. It does not include all the definitions, exclusions, terms and conditions.

If you would like a copy of the full terms and conditions please ask your financial adviser or contact us directly. You may also view the full terms and conditions on our website at [www.fpinternational.com](http://www.fpinternational.com)

We have the right to change some of the terms and conditions. We'll write and explain if this happens.

This leaflet complies with the ABI (Association of British Insurers) statement of best practice for critical illness cover. The ABI Guide to Critical Illness gives general information about critical illness cover. If you would like a copy, please let us know or write to:  
ABI, 51 Gresham Street, London EC2V 7HQ

## LANGUAGE

The Plan literature and the terms and conditions are in English and all other communication with you will be in English.

## LAW

The law of England and Wales will apply unless your Plan documents show otherwise.

## COMPENSATION

You may qualify for compensation from the Financial Services Compensation Scheme if we become unable to pay claims against us because of financial difficulties. It'll depend on the nature of the business and the circumstances of the claim. The scheme covers most insurance contracts for 100% of the first £2000 and 90% of the rest of the claim. You can get further information from the Financial Services Authority or from the Financial Services Compensation Scheme.

## FSA REGISTRATION

Friends Provident Life Assurance Limited's main business is providing life assurance and investment products. It's entered on the FSA register, number 196142.

Friends Provident International is the trading name of Friends Provident Life Assurance Limited for business conducted outside the United Kingdom

Registered and Head Office: Pixham End, Dorking, Surrey RH4 1QA England  
Incorporated company limited by shares and registered in England number 782698

Authorised and regulated in the United Kingdom by the Financial Services Authority  
Member of The Association of International Life Offices

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E-mail [fp.int@friendsprovident.co.uk](mailto:fp.int@friendsprovident.co.uk) Website [www.fpinternational.com](http://www.fpinternational.com)

**The rules and regulations made by the Financial Services Authority for the protection of investors will not normally apply to persons resident outside the United Kingdom**



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