

The Financial Services Authority is the independent financial services regulator. It requires us, Standard Life, to give you this important information to help you to 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.

This Key Features Document is for a UK plan and for use by UK residents only.

Its aims

- To provide you with a tax-free 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.

Your commitment

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

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.
- If you cash-in your plan early, you may get back less than you have paid in because:
 - the value of the investment-linked funds can go down (see 'Where are my payments invested?' on page four for more information on investment-linked funds)
 - our charges reduce the value of your investment.
- Your plan can invest in a range of investment-linked funds that include stocks and shares, which have different levels of risk. The value of your investment can fall as well as rise and you may get back less than you have paid in.
- If you decide to invest in a property fund, you should be aware that property can be difficult to sell, so you might not be able to sell your investment when you want to. In exceptional circumstances, it could take up to six months. The valuation of property is generally a matter of a valuer's opinion rather than fact.
- You must give us full, honest and accurate answers to all the questions we ask, both to support your application and at any time during the plan's term. If you withhold information, whether deliberately or not, we may not pay out.
- We will not pay out for a condition the plan excludes. For more information on our standard exclusions, please ask your financial adviser or contact us for a copy of Definitions and exclusions for Critical Illness (GEN200).

Questions and Answers

What is a Homeplan?

- It is an investment plan you can take out for a maximum term of 40 years. It aims to build up a lump sum to help you repay your mortgage at the end of the term.
- 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 can take out another plan to make up the difference.
- If your mortgage decreases, you have two choices:
 - reduce the amount you pay, or
 - cash-in or stop making payments to one or more policies that make up your plan.
- 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?')
 - 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 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, then you can choose whether you want it to pay out:
 - as soon as one of you dies, or
 - after both of you have died.
- If a claim is made following a death before the plan ends, we will pay out the higher of:
 - the life insurance, or
 - the value of your plan.
- For at least the first few years, part of your payments to your plan are used to buy life insurance.
- You only pay for the life insurance you need, to cover the difference between:
 - the life insurance you want, and
 - the value of your plan, should they be different.

If your plan grows to be worth more than your life insurance, you stop paying for life insurance, 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 cover ensures payment of an amount equal to the guaranteed life 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 at least three of the eight Activities of Daily Working (ADW) details of which are contained within the Policy Provisions.

Please ask us for further details if you are interested. For information on these definitions please ask your adviser or contact Standard Life for a copy of our leaflet GEN200 (Critical Illness Definitions).

What is 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 premium.
- 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:
 - 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 at least three of the eight Activities of Daily Working.

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?

- You must pay at least:
 - £50 if you are making payments to your plan every month, or
 - £500 if you are making payments every year.
- There is no maximum payment.
- You can make monthly payments by direct debit. Yearly payments can be made by direct debit or by cheque.

Can my payments change in the future?

- You may need to increase your payments in the future 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 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?' 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 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 funds, please speak to your financial adviser who has detailed information available.

What are the charges?

- Your personal illustration shows what you might get back in the future. It 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 charge of £1 each month. This is taken from the fund.
 - We apply an initial charge of 5% called the bid/offer spread. The bid/offer spread is the difference between the offer price (price at which units are bought) and the bid price (price at which units are sold) of the units in a fund.
 - 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).
 - Changing the funds in which your plan is invested is known as switching. The first switch in any twelve month period is free. Other switches in the same period cost 0.5% of the value of the investment switched. The minimum charge is £10 and the maximum is £25. For more details on switching please speak to your financial adviser or contact Standard Life.
- We can increase the charges we make. We may do so in the future if our costs are higher than originally expected. This might happen if, for example:
 - tax rules change
 - our staff or overhead costs are more than we expected
 - our income from charges is less than we expected.

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, and if chosen, Critical Illness cover, will continue until the cost of life insurance, 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 contact your financial adviser or nearest Standard Life office. We strongly recommend that you talk to a financial adviser before you make a final decision.

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.

What about tax?

This section only applies if the plan is owned by an individual/individuals. If the plan is not owned by an individual, you should ask a tax specialist for advice.

- Standard Life 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
 - 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-rate taxpayer, or if the proceeds of the plan make you a higher-rate taxpayer.
- 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.
- Tax and legislation are likely to change. The information given here is based on our current understanding of law and HM Revenue & Customs practice at the date of publication.

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. During this period, if you decide you want to cancel, you should write to us at the address shown in the "How to contact us" section, 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.
- 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.
- Please note, it is only the initial payment that you choose to make that will have cancellation rights.

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 then 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 HM Revenue & Customs requirements and normally allows the proceeds of the plan on death or maturity to be paid free of Income Tax.
- You can also call our customer help line on **0845 60 60 002** for an update (call charges may vary). Please have your plan number ready when calling.
- You can check our website – www.standardlife.co.uk – for details of fund prices (excluding the Life With Profits Fund).

How to contact us

- Your financial adviser will usually be able to answer any questions you have on your plan.
- If you would like to contact us, you can always phone us, or write to us. You can call us on **0845 60 60 002**. Call charges may vary and we may record/monitor calls to help improve our service.

You can write to us at:

Standard Life Assurance Limited
Standard Life House
30 Lothian Road
Edinburgh
EH1 2DH
United Kingdom

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

Other information

How to complain

- We can send you a leaflet summarising our complaint handling procedure on request.
- If you ever need to complain, first write to us at the address above. If you are not satisfied with our response, you may be able to complain to:

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

Telephone: 0845 080 1800.
Switchboard: (020) 7964 1000
Fax: (020) 7964 1001

Website: www.financial-ombudsman.org.uk
E-mail: complaint.info@financial-ombudsman.org.uk

- Complaining to the Ombudsman will not affect your legal rights.

Terms and Conditions

- This Key Features Document gives a summary only. The full definitions, exclusions, terms and conditions of this plan 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 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.
- The English language will be used in all documents and future correspondence.

Compensation

- The Financial Services Compensation Scheme (FSCS) has been set up to deal with compensation if firms are unable, or likely to be unable, to meet claims against them. For further information contact us on 0845 60 60 002. Call charges may vary.
- The amount of compensation available from the FSCS depends on the type of business and the circumstances of the claim. Further information is available from the FSCS.

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'. We'll send you a copy on request, or you can get a copy by writing to the ABI at 51 Gresham Street, London EC2V 7HQ.
- This document complies with the ABI Statement of Best Practice for Critical Illness Cover. Further details are in the plan schedule and standard provisions, which make up the plan. We recommend you seek specialist advice about the legal and tax information contained in this leaflet.

About Standard Life

- Standard Life Assurance Limited's product range includes pensions and investments.
- Standard Life Assurance Limited is on the Financial Services Authority register. The registration number is 439567.

KEY FEATURES