

With Profits Bond

KEY FEATURES



ECCLESIASTICAL
FINANCIAL ADVICE YOU CAN BELIEVE IN

CONTENTS

- 1 Ecclesiastical's With Profits Bond
- 2 Questions and Answers
- 5 Further Information
- 9 Other Information

Ecclesiastical's With Profits Bond

This Key Features document tells you the main points of your plan. It may include an illustration showing what you might get back. Please read it so that you understand what you are buying and keep it with your plan documents. Please also read the booklet 'How we manage our With Profits business'.

Its aims

- To increase the value of the money you invest.
- To allow you to take an income or withdraw funds if you choose.
- To give you an element of life assurance.

Your commitment

- To invest a single amount of at least £5,000.
- You can keep your Bond for as long as you like, but you should expect to hold it for a minimum of five years.

Risk factors

- We cannot guarantee what you will get back. It may be less than illustrated if:
 - investment performance is lower than illustrated
 - you take more money out of the Bond than illustrated
- If you cash in all or part of your Bond, we may pay less than the quoted value of the amount you want to take out. This is called a Market Value Reduction and usually only happens when stock markets fall in value. We explain more about this under 'How is the growth of my Bond determined?'
- If you cash in your Bond soon after investment, you may not get back as much as you invested due to the effect of charges.

Questions and Answers

What is Ecclesiastical's With Profits Bond?

- It is an investment plan that aims to make your money grow over a medium to long term period.
- It gives you some life insurance. If there are joint holders, the Bond will end when the second insured person dies.

How flexible is it?

- You can take money out of the Bond or cash it in at any time.

What might I get back?

- The cash sum you will get when you cash in your Bond depends on:
 - the amount you invest
 - any bonuses added to your Bond
 - our charges
 - the amount that you take out of the Bond before you cash it in.
- There is no guaranteed amount.
- Your illustration shows what you might get back, based on one set of assumptions.

Can I take money out?

- You can take money out at any time. This will reduce what you get back when you cash in the Bond.
- Each year you can withdraw up to 7.5% of the amount you originally invested without any charge:
 - all withdrawals must be at least £50;
 - you can be paid monthly, quarterly, half-yearly or annually;
 - we will pay the money into your bank or building society.
- In the first five years of the Bond, we will charge for withdrawals of more than 7.5% of your original investment. This will reduce the amount you get back as follows:

Year 1	Year 2	Year 3	Year 4	Year 5
3%	2%	1.5%	1%	0.5%

- If you withdraw more than 7.5% of the original investment in any year, we may apply a Market Value Reduction. We would do this before we take any charges.

Where and how is my payment invested?

- After applying an initial charge, we put your money in Ecclesiastical Life's With Profit Fund.
- Our With Profit Fund is invested in a range of investments including company shares, government bonds, company bonds, deposits and property. The mix of these assets is determined by us to provide prospects of long term growth together with a degree of security.

How is the growth of my Bond determined?

- The value of your Bond grows with the addition of regular bonuses added throughout the year. The rate of regular bonus may change at any time without notice.
- In addition, we may add a Final bonus when you cash in your Bond, but this is not guaranteed.
- The bonuses will depend on factors such as investment performance, charges and other profits and losses made by the fund including the costs of providing guaranteed benefits. You can read more about this in our guide 'How we manage our With-Profits business'.
- The main aim in determining bonuses is to smooth out the ups and downs of the stock market. Year on year returns should be steadier than if they fully reflected the underlying value of the fund's assets.
- We may apply a Market Value Reduction when you cash in all or part of your Bond which will reduce the amounts payable. We will only do this if the quoted value of your Bond is higher than the market value of the relevant assets in our With Profit Fund. This can happen when there has been a large or lengthy fall in stock markets or when investment returns have been consistently lower than expected. It is applied if necessary to protect the fund values of investors who are not cashing in the investment at that time.

What happens to the Bond when I die?

- If you are under age 80 when you die, we will pay the full value of the Bond plus 1%. This will include any regular bonuses already added to the plan and any Final bonus payable at that time.
- If you are aged 80 or over, we will pay 100% of the full value of the Bond.
- We pay out for Bonds in joint names on the second death.
- The minimum we will pay is your original investment less any money you have withdrawn.
- If the last surviving person named on the Bond is diagnosed with a terminal illness and a life expectancy of less than 12 months, we will pay out according to age as described above.
- Where the Bond is written in trust, we will pay the trustees.
- No Market Value Reduction will apply to amounts paid out on death.

What are the charges?

- We will take initial charges from your investment for setting up your Bond. The charges for managing the Bond are reflected in the bonuses you receive.
- If you take out more than 7.5% of your original investment in any of the first five years, we will make an early withdrawal charge.
- Your illustration shows more details about the charges.

What about tax?

- There are taxes on Ecclesiastical Life's With Profit Fund as it grows but these are paid by Ecclesiastical and reflected in the bonuses you receive.
- Tax rules and legislation are subject to change and are dependent on your financial circumstances. Information supplied is based on our current understanding of UK law and HM Revenue & Customs practice (June 2006). Your individual tax situation may be affected.
- There is no basic rate income tax payable on any withdrawals from the Bond.
- If you are a higher rate taxpayer, or become one because of a gain or withdrawals over 5%p.a made from the Bond, you will have to pay tax on any gains or withdrawals over 5%p.a.
- Any money you receive from your Bond may affect some or all of your entitlement to age allowance or tax credits.
- The plan value on death may mean that inheritance tax needs to be paid unless the Bond is set up under trust. Income tax may be payable on gains under a trust.
- Your adviser can tell you more about the tax rules.
- Tax rules may change.

How will I know how my Bond is doing?

- We will send you a yearly statement showing you what your Bond is worth.

Further information

Cancellation Rights

You can change your mind within 30 days from when you get your cancellation notice. If you decide you do not want your policy, we will give you your money back. If you have purchased at a distance, for example by telephone, you also have 30 days in which you can cancel your policy. Note that the 30 day cancellation period for distance contracts is voluntarily offered by Ecclesiastical Life Ltd and is not prescribed by Financial Regulations.

Investment Funds

Your premiums will be paid into the Ecclesiastical Life With Profits Fund. The money in the Fund is invested in a wide range of investments, mainly equities and fixed interest stocks.

Inheritance Tax

Although the proceeds from the policy are usually paid free of tax, on your death they will form part of your estate. Therefore, the proceeds may be subject to Inheritance Tax unless you put your plan in trust. Please ask your adviser for details.

Alterations / Termination of the policy

If you wish to alter in any way or terminate this contract, this should be done in writing to the Company at its Head Office.

Ecclesiastical Life Ltd

Ecclesiastical Life Ltd is a company limited by shares and a member of the Ecclesiastical Insurance Group. The Group was originally founded in 1887 and has been writing life business since 1919.

Premiums

Premiums are usually paid by cheque.

Other information

How to complain

If you ever need to complain, please write to us first at:

Financial Services Division, Ecclesiastical Insurance Group, Beaufort House, Brunswick Road, Gloucester GL1 1JZ

Or telephone:

01452 419 221

Or email:

complaints@eigmail.com

We will acknowledge all complaints within five working days. Your complaint will be investigated at a senior level within Ecclesiastical and we will aim to respond in writing within four weeks. If, after four weeks, we have not completed our investigation, we will write and tell you what progress we have made. We will then write to you again within another four weeks with our response or with an update on our progress.

If you are unhappy with our response, or we have not completed our investigation within eight weeks of receiving your complaint, you can complain to:

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

Telephone: 0845 0801 800

Email: enquiries@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Complaining to the Ombudsman will not affect your legal rights.

With Profits Bond terms and conditions

- This Key Features document gives you a summary of Ecclesiastical's With Profit Bond. For full details please read the Terms and Conditions, PPFM and Personal Illustration.

Law

- The law and courts of England will apply in legal disputes.

Compensation

- We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Policy document

- This leaflet is a brief guideline to the key features of the product. Full details are confirmed in the Terms and Conditions within our policy document, which is the legally binding contract between you and Ecclesiastical Life Ltd.

How to contact us

If you have any questions, your adviser will usually be your first point of contact.

You can call us on:

0800 107 0190

Monday to Friday 9am–5pm

We may monitor or record calls to improve our service.

Our email address is

financial_services@eigmail.com

You can write to us at:

Financial Services Division
Ecclesiastical Life Limited
Beaufort House
Brunswick Road
Gloucester GL1 1JZ

We provide

- Savings and Investments
- Life Assurance
- Protection products
- Retirement planning
- Mortgages
- Home insurance
- Car insurance
- Travel insurance
- Wedding insurance
- Church insurance
- Church Hall insurance
- Charity insurance
- Churches Purchasing Scheme
(www.cpsonline.co.uk)



ECCLESIASTICAL
FINANCIAL ADVICE YOU CAN BELIEVE IN

Beaufort House Brunswick Road Gloucester GL1 1JZ, UK Tel: 01452 528533 Fax: 01452 311690
www.ecclesiastical.co.uk

Ecclesiastical Insurance Office plc. (EIO) Reg. No. 24869. Ecclesiastical Insurance Group plc. (EIC) Reg. No. 1718196. Ecclesiastical Life Ltd. (ELL) Reg. No. 243111. Ecclesiastical Group Asset Management Ltd. (EGAM) Reg. No. 2170213. Allchurches Investment Management Services Ltd. (AIMS) Reg. No. 2170173. Allchurches Mortgage Company Ltd. (AMC) Reg. No. 1974218. All companies are registered in England at Beaufort House, Brunswick Road, Gloucester GL1 1JZ UK. Tel: 01452 528533. EIO, ELL, EGAM & AIMS are authorised and regulated by the Financial Services Authority and are members of the Financial Ombudsman Service. EIO & ELL are members of the Association of British Insurers and AIMS is a member of the Investment Management Association.