

Flexible Trust

(England & Wales)
For Existing Covers

If the Applicant is in doubt as to the suitability of this form please ensure independent legal advice and independent taxation advice is obtained.

Royal Liver Assurance Limited does not accept responsibility for the appropriateness or otherwise of this trust deed.

This form should not be used for either:

- (a) Business Protection; or,
- (b) Pension Life Cover.

Once completed please return to

IFA Operations
progress from Royal Liver
Jessop House
Jessop Avenue
Cheltenham
GL50 3SH

Existing Plan Number _____

Type of Cover (delete as appropriate): Life Cover / Family Income Cover

Basis of Cover (please tick relevant box): Level Increasing Decreasing

("the policy")

Part 1 Declaration

I/We _____ (full name(s) of settlers(s))

Of _____ (address of settlor(s))

 _____ Postcode _____

I/We hereby declare that I/we intend to hold the policy(ies) as Trustee(s) for the beneficiaries described below and in trust provisions subject to the trust provisions appearing overleaf and wish to appoint the Additional Trustee(s) named (if any) in the Schedule below as Trustees of the policy(ies). I/we declare that I/we hold the policy(ies) in trust described above and (where relevant) in exercise of the statutory power of appointing trustees and of every other enabling power I/we appoint the Additional Trustee(s) to be Trustees of the policy(ies) jointly with me/us and I/we assign the policy(ies) to the Additional Trustee(s) and myself/ourselves jointly.

1 Trust Provisions

1.1 Definitions

1.1.1 "Beneficiary(ies)"

means any person named in Part A of the Schedule who is entitled if no appointment is made by the Trustee.

1.1.2 "Potential Beneficiaries"

means the following persons any person to whom the Settlor(s) shall be or shall have married and any widow or widower of the Settlor(s), (provided however that it shall not be possible for a person who is also a Settlor(s) to be a beneficiary in this class), any person to whom the Settlor(s) shall be or shall have been a Civil Partner of (provided however that it shall not be possible for a person who is also a Settlor(s) to be a beneficiary in this class), any children of the Settlor(s) (or either of them) whenever born any grandchildren or remoter issue of the Settlor(s) (or either of them) whenever born, any person (other than the Settlor(s)) nominated by the Settlor(s) and whose name has been notified to the Trustees in writing by the Settlor(s) as being a person he wishes the Trustees to consider as a possible recipient of the Trust fund.

1.1.3 "Child" and "Grandchild"

includes any legitimate child, illegitimate child, adopted child or stepchild.

1.1.4 "Civil Partner"

means one partner in a Civil Partnership as defined in Part 1 of the Civil Partnership Act 2004..

1.1.5 "Cover"

means the Cover described in the Declaration of Trust as "the policy".

1.1.6 “Settlor”

means the person declaring this Trust or the persons jointly declaring this Trust and the survivor(s) of them.

1.1.7 “Trustee”

means the Trustee or Trustees inclusive of the Settlor(s) where applicable for the time being of this Trust, whether original, additional or substituted.

1.1.8 “Trust Fund”

means the Cover effected by the Settlor(s) with Royal Liver Assurance Limited and all monies to become payable thereunder (including any bonuses and monies received on the sale or surrender thereof) all property at any time added thereto by way of further settlement accumulation of income capital accretion or otherwise and all property from time to time representing the Trust property respectively.

1.1.9 “Trust Period”

means the period of 80 years less 2 days beginning on the date hereof which period shall be the perpetuity period for the purposes of this trust.

2 The Benefit

The Trustee(s) shall hold the Cover and the proceeds thereof upon the Trusts and subject to the powers and provisions set out below:-

- (a) For the benefit of one or more people referred to in Part B in such portions and subject to such Trust as the Trustees acting together appoint provided the Power of Appointment has been released and the death has occurred of the Settlor(s) or if the Cover is a joint life and last survivor after the death of the last person. If the Settlor(s) make a declaration to the effect that the power is vested solely in the Settlor(s) then the Trustees will not have the power to appoint beneficiaries.
- (b) In default of and subject to and until any and every such appointment the Trustees shall hold the Cover and proceeds thereof for the benefit of the Beneficiaries referred to in Part A and in such proportions as are set out in Part A. The income accruing in the hands of the Trustees whether before or after the death of the Settlor(s) is to be paid and held in Trust for the absolute benefit of the Beneficiaries then entitled at the time the income so accrues whether pursuant to a valid exercise of Power of Appointment or in default thereof in such shares as are set out in Part A.

3 Power Of Appointment

3.1 The Trustees can exercise the Power of Appointment in favour of beneficiaries by any deed or deeds revocable or irrevocable provided at all times the Trustees act together. The Power of Appointment will not be exercisable before any Power of Appointment has been released by the Settlor(s) or after the death of the Settlor(s) or if the Settlor(s) makes a declaration to the effect that the powers vest solely in the Settlor(s).

3.2 Subject to the Settlor(s) express written consent the Trustees may nominate by deed anyone other than the Settlor(s) to be a person in favour of whom the appointment can be made.

4 Trustees’ Powers

The Trustees shall have the following powers and any monies received by the Trustees as a result of the exercise of their powers must be held by them subject to the terms of this Trust:-

4.1 The Trustees shall have power to invest trust monies in the purchase or other acquisition of real or personal property of any kind whether or not producing income including investment in life assurance policies and the purchase or improvement of real property and whether

involving liability or not or upon such personal credit with or without security as the Trustees may in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted powers of vesting and varying investments in all respects as if they were absolutely and beneficially entitled thereto.

- 4.2 The Trustees shall have power to borrow money on the security of the whole or any part of the Trust fund and to use such money to pay the premiums on any policy of insurance or for acquiring investments to be held as part of the Trust fund or for any other purpose for which the Trust fund may be used.
- 4.3 The receipt of the Trustees shall be good and sufficient discharge to any persons for all monies payable by such persons under any policy forming part of the Trust fund.
- 4.4 The Trustees shall have the power of advancement given by Section 32 of the Trustees Act 1925 to advance or apply freed from the trusts thereof any part or parts of the whole of the Trust fund or otherwise property held on the Trust hereof to any beneficiary who is entitled absolutely or contingently to such part or parts of the whole.
- 4.5 Subject to any valid accumulation under the foregoing provisions hereof, Section 31 of the Trustee Act 1925 shall apply on the basis that all income accumulated during the minority of any beneficiary who but for his minority would have been entitled to such income shall be held in Trust for such beneficiary(ies) or his personal representatives absolutely and as if the words “as the Trustees shall in their absolute discretion think fit” replaced the words “as may in all the circumstances be reasonable” in sub-section (1)(i) hereof and as if the words “or income” were inserted between the words “fund” and “applicable” in sub-section (1)(i)(a) thereof and as if the proviso to subsection (1) had been omitted.
- 4.6 To convert the Cover into a fully paid-up policy even if the sum assured is thereby affected.
- 4.7 To surrender the Cover or part thereof or any bonus attaching to the Cover for its cash surrender value.
- 4.8 To lend money or assets comprised in the Trust Fund to any person beneficially interested in the Trust Fund, on such terms (whether or not including the provision for the payment of interest) and generally as the Trustee think fit.

5 Surviving Joint Applicant

If box A, Part C of the Schedule is ticked, and the Cover is on the joint lives of the Settlers and the death benefit thereunder is expressed as payable on the death of the first of them to die, the Trustee(s) shall hold the Trust Fund for the survivor of the Settlers absolutely and the interests of all other persons hereunder shall cease, if the survivor of the Settlers is living 30 days after the death of the deceased Settlor.

6 Settlor(s) Unable To Benefit

No power or discretion hereby or by law conferred on the Trustees or any of them shall be exercisable in such a manner as to cause any part of the property subject to the Trust fund or income thereof to become payable to or applicable for the benefit of the Settlor(s).

7 Trustees' Remuneration and Liability

- 7.1 any Trustee hereof (other than the Settlor or either of them) being a person in any profession or business shall be entitled to charge and be paid all usual professional and other reasonable charges for any business or work done by him or his firm in relation to the Trusts hereof.

7.2 No Trustee shall be liable for any loss to the Trust fund arising by reason of investment made in good faith or by reason of any mistake or omission made in good faith by the Trustee thereof or by reason of any other matter or thing except wilful and individual fraud or wrongdoing on the part of the Trustee who is sought to be made liable.

8 Power to Appoint New Trustees

The power of appointing new or additional Trustees hereof shall be vested in the Settlor(s) during his or her life (or in the Settlers during their joint lives and in the survivor of them during his or her life).

9 Law

This Trust fund shall be governed and construed in accordance with the law of England and Wales.

Part C 30 day wording

Tick box A if you require 30 day wording.

Box A

Please note you can only exercise a 30-day wording option if the Cover is on a joint life first death basis

Part D Additional Trustees

(1) Full Name _____

Address _____

Postcode

(2) Full Name _____

Address _____

Postcode

In Witness whereof the parties have hereunto executed this Deed on this ____ day of _____ 20____.

It is hereby certified this instrument falls within category N of the schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

SIGNED AND DELIVERED as a Deed

by the said Settlor (1) _____

in the presence of:

Signature of witness _____

Full Name of witness _____

Address of witness _____

Postcode

SIGNED AND DELIVERED as a Deed

by the said Settlor (2) _____

in the presence of:

Signature of witness _____

Full Name of witness _____

Address of witness _____

Postcode

SIGNED AND DELIVERED as a Deed

by the said Additional Trustee (1) _____

in the presence of:

Signature of witness _____

Full Name of witness _____

Address of witness _____

Postcode

SIGNED AND DELIVERED as a Deed

by the said Additional Trustee (2) _____

in the presence of:

Signature of witness _____

Full Name of witness _____

Address of witness _____

Postcode

Enquiries can be directed to our Main Administrative Office:

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England

**Flexible Trust England & Wales – Existing Cover
April 2009**

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