

Questions and Answers to aid you with your Maturing policy.

Please be aware that we will only write to, and make payment to, the legal owner of the policy.

Q: Do I need to contact Phoenix Ireland about my forthcoming maturity?

A: No it is not necessary because, approximately 6-8 weeks before the maturity is due, we will write to your Intermediary and then 4-6 weeks prior to Maturity, we will send a letter to the address we currently hold for you on our records. This letter will explain what will happen when your policy matures, tell you any action you need to take, confirm the maturity date and quote the actual final maturity amount.

Q: How Quickly Should I send you in my completed documents?

A: We are encouraging all of our clients to submit their completed documents within ten days of receiving them. This is to ensure that if there are any remaining requirements they can be addressed in advance of the maturity date and your payment can still be made on time. We will include an addressed envelope with all correspondence.

Q: What should I do if my address is now different from the address held in your records?

A: In order to update your address, we require a letter of request signed by the policyholder, or signed by both policyholders if the policy is a joint policy. If you have an upcoming Maturity – Please do this straight away. In the event that the signatures do not match we may require **Certified ID** from the policyholder(s).

To protect our policyholders we will never accept a change of address over the phone.

Q: Will the letter show an Estimated or Actual payment amount?

A: We provide you with the Actual Maturity Value at that time. If between issuing you with your maturity pack, the bonus rates on the policy change, (*see glossary below*) the actual payment amount will be the **higher** of the value quoted to you at the time or the more favourable bonus rates, if applicable. The value quoted in your Official Maturity Pack (that issued to you approx 6 weeks before the maturity date) will never be reduced due to adverse bonus changes.

Q: How will payment be made?

A: If premiums are paid by direct debit we are delighted to be able to provide all Maturity payments by the banks automated Direct Credit process directly into the bank account that your premiums are collected from provided it is an account in the policyholder's name and one that can receive Direct Credit payments e.g. a current account.

Or

If premiums are being paid by cheque, or if it was a single premium Investment, we will provide the payment directly into a nominated bank account (This bank account must be in the policyholder's name and evidenced with a copy bank statement not older than 3 months and one that can receive Direct Credit payments e.g. a current account)

We are not offering cheque as a payment option as Direct Credit offers:

1. **A much higher degree of security.** Policyholder's benefits will be transferred directly to their bank account.
2. **Payment on the maturity Date.** The Maturity payment will be in the policyholder's account not later than three days after the maturity date. *(Subject to all requirements being received)* (Traditional cheque payment can often take up to two weeks from the time we create the cheque to the time it clears in a policyholder's account, allowing for administration time at our end, postage, administration and clearing at the bank).

Q: Why are you asking my client to provide a copy of their bank statement for single premium product or changes to bank details?

A: If your benefits are being paid direct to your bank account and we do not have these bank details on file we need verification that the bank details provided are correct and that the benefits are being issued to the policyholder(s) account. This is an important security measure.

By way of verification we require the top section of your bank statement, showing, banks name, your name and address, your account number and sort code only. Details of any transactions on the account are not required.

Q: What do I need to do about premium arrears or overpayments on the policy?

A: Any premium arrears or over payments will be taken into account when we calculate the maturity payment amount.

Q: Will you write to me to confirm that the payment has been made to my bank account?

A: Yes. We will write to you immediately after the maturity date. You should receive the correspondence within 3 to 5 working days after your policy matures.

Q: Do I have to reduce/cancel my direct debit payments?

A: If you are paying by direct debit you do not need to do anything because we will automatically stop claiming premiums from your account relating to the maturing product.

If you have other policies with us they will continue as normal.

If you have been paying premiums by Standing Order, you will need to contact your bank in order to cancel the Standing Order after the policy has matured.

Q: I cannot find my policy document, what will happen?

A: Don't worry; if you have lost the policy document, it will not stop us from processing your maturity. Your maturity pack contains a declaration in which you can make a statement to this effect.

Q: I think the policy was used as security for a mortgage, what is the process?

A: If the policy is assigned, or deposited with a bank or building society, we will write to them to see if they require the policy proceeds. If they send us a discharged Deed of Assignment, or Notice of Reassignment / Release, we will then issue a maturity pack for you to complete. If the policy is still assigned to the bank or building society, we will request that they sign the appropriate form and we will issue the cheque direct to them.

Q: The policy is written under trust, what happens?

A: We will write to the trustees of the policy. The signatures of all trustees will be needed before payment can be made.

Q: The maturity date on my policy document is different than the maturity date shown on my maturity statement?

A: Yes this has happened on a very small number of cases where the maturity date is shown on your statement as the 2nd of the month. This does not affect the valuation of your policy and in effect your maturity value will be paid earlier at no disadvantage to you.

Q: Do I have any Tax Liability on the Maturity Amount Payable to me?

A: No. Simply all these policies commenced before 1 January 2001, the appropriate tax will have been paid annually by the Phoenix Ireland on any investment returns. Therefore you do not have any further liability. Likewise you do not have any claim on taxes submitted to the revenue regardless of your tax status.

Q: How do you calculate the maturity value?

A: When the policy matures, we compare the **asset share** against the Guaranteed Benefits (Basic Sum Assured and Annual bonuses already allocated to the policy). If the Guaranteed Benefits are greater than the **asset share** we will pay the guaranteed benefits. If the **asset share** is greater than the Guaranteed Benefits, then we will pay out the asset share, as the additional asset share will be paid by way of a Final bonus

Q: Maturity Value calculation

A: The Maturity value of a With Profits Policy is calculated as follows:
It is the sum of the:

- **Basic Sum Assured** plus
- **Annual (Reversionary) Bonuses added to date** plus
- **Final (Terminal) Bonus** (*which is a percentage of the Basic Sum Assured and the Annual (Reversionary) Bonuses added to date*)

Final Bonus Calculation

The Final Bonus = Final Bonus Rate % x (Basic Sum Assured + Total Annual Bonus)

Example (notional rates)

<u>Basic Sum Assured</u>	<u>Annual Bonuses</u>	<u>Final Bonus</u>		
€3,000.00	€300.00	20%		
Final Bonus =	Final Bonus Rate % x (Basic Sum Assured + Total Annual Bonus)			
<u>Final Bonus</u> =	20% X (€3,000 + €300.00) = 20% of €3,300.00 = €660.00			
Maturity Value =	Basic Sum Assured €3,000	Ann Bonus + €300.00	Final Bonus + €660.00	= Maturity Value = €3,960.00

Glossary of Terms used at Maturity Date

Maturity date – this is the fixed date when an endowment policy / investment bond will pay out the maturity benefit by way of a lump sum.

Each policy will have its own maturity date. Often this is the 10th, 15th, 20th or 25th anniversary, but shorter and longer policies are also common.

Basic Sum Assured (may also be referred to as guaranteed final maturity sum assured) – this is the fixed minimum payment at maturity or death under an endowment policy (except for Low Cost Endowment). This is set when the policy is taken out and is guaranteed at maturity, so long as all the premiums are paid up to maturity. Details will be found on your [policy schedule](#).

Annual bonus – an annual bonus is a guaranteed addition to the Basic Sum Assured. Each year we check whether the fund can afford to give everyone such an addition, but this does not mean there will be a bonus every year. The Annual Bonus review is completed as part of the annual Bonus Declaration, and we write out to all Policyholders, by way of our Annual Bonus Statement. Once these annual bonuses are added, they cannot be taken away, as long as premiums are paid to the Maturity date. An Annual Bonus has not been declared on Phoenix Ireland With Profit contracts since 2002.

Final (Terminal) bonus – when endowments reach their maturity date we compare the investment returned (less expenses) throughout the term of the policy with the Basic Sum Assured and Annual bonuses. If this net Investment return is higher than our guaranteed benefits, then we would normally add a final bonus. We expect to check the final bonuses and change them if necessary at least twice a year. A table of our current Final (Terminal) bonus rates is currently available on our Website – www.phoenixireland.ie

The Final Bonus is expressed as a percentage , and will be found under the heading ‘PLL Conventional With Profits Terminal Bonuses Life (Endowment Policies) and the Final Bonus Rate for Life Single Premium Investment Bonds is shown in a specific information box beneath the above table of Rates. Final bonus is sensitive to financial market conditions and other factors. They are reviewed at least twice a year and may be varied or withdrawn without notice and is not guaranteed.

A Final Bonus may be paid when on the policy maturity date. It is paid as a bonus added to your guaranteed benefits (i.e. Basic Sum Assured and Annual bonuses allocated to date).

The amount of Final Bonus payable will depend on:

- number of complete years your policy has been a With Profits contract, and
- the amount of your guaranteed benefits

Asset share – this is our main guide to a fair share of the fund. We work out the asset share of a policy by:

- (i) Taking the money paid for the policy
- (ii) Allowing for each year’s **investment result**, and
- (iii) **Deducting** our charges and expenses.