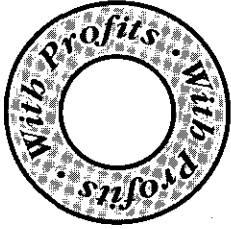
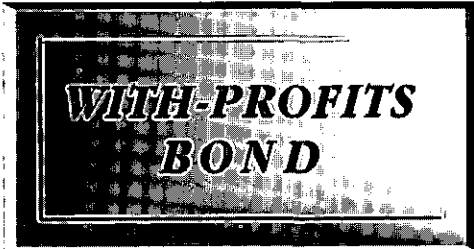


W I T H - P R O F I T S



SCOTTISH
PROVIDENT
IRELAND

POLICY
PROVISIONS
MAY
1992



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Introduction

The material in Sections 1 to 5 in this booklet in ordinary print comprises the "With-Profits Bond Policy Provisions (May 1992)" and these form part of the policy.

The material in the informal notes in blue italics does not form part of the policy but is included to give you further information and guidance on what to do in various circumstances.

Policyholder information

If you need further help or advice on your life insurance needs you may wish to consult the financial adviser who introduced you to Scottish Provident. Alternatively, our experienced staff at your local Scottish Provident area office will be pleased to assist you. (You will find the addresses at the back of this booklet.)

Notification of changes

If you change your address or if you need to cancel the policy you should write to our Chief Office in Dublin and we shall take the appropriate action.

In any correspondence please quote the policy number and your full name and address.

I. Construction

This provision deals principally with the definitions of various terms which are used later in the provisions.

These provisions apply to any policy effected with The Scottish Provident Institution ("the Institution") which is expressed to be subject to them. In relation to such a policy in these provisions:

- (a) "the proposer" means the person (or persons) who effected the policy;
- (b) "the life assured" (or "the lives assured") means the person (or persons) specified as such in the schedule to the policy;
- (c) "the titleholder" means the person (or persons) who is (or are) for the time being legally entitled to deal with the policy;
- (d) "the effective date of the policy" means the date shown as such in the schedule to the policy;
- (e) "the maturity date" means the date shown as such in the schedule to the policy;
- (f) "the sum assured" means the amount shown as such in the schedule to the policy, subject to provision 5.7.
- (g) "the premium" means the amount shown as such in the schedule to the policy.

Where appropriate, in these provisions and in the policy the masculine includes the feminine and vice versa and the singular includes the plural and vice versa.

The 'titleholder' is the owner of the policy and usually this will be the proposer. If the policy is held under a trust or assigned to a third party, the titleholder will be the trustee(s) or assignee(s) respectively.

The titleholder's permission is always required before we are able to act on instructions involving a material change to the policy, e.g. an instruction for encashment of the policy.

The "premium" referred to in these provisions and in the policy has the same meaning as the expression "investment amount" which may appear within the application for this policy. Similarly, "proposer" has the same meaning as the expression "applicant".

2. Encashment

This provides for encashment of the policy in whole or in part.

At any date before the maturity date shown in the schedule to the policy the titleholder may elect that the policy be cancelled in whole or in part. If he elects that the whole policy is cancelled, the Institution will pay to him the cash value of the policy, as determined by the Institution.

If the election is made in respect of part of the policy, the Institution will pay the cash value of that part as determined by the Institution subject to the following conditions:

- (a) the cash value of the proportion of the policy encashed must not be less than the minimum required by the Institution according to its practice at the time;
- (b) the cash value of the proportion of the policy continuing must not be less than the minimum required by the Institution according to its practice at the time.

In view of the expenses incurred by Scottish Provident in setting up the policy, very early encashment of the policy is not recommended as the value may be less than the amount you have invested.

3. Death benefit

This provision deals with what happens on the death of the life assured (or on the death of the last of the lives assured to die if there are two or more lives assured).

3.1 When payable

A death benefit will become payable under the policy :

- (a) if there is one life assured, on his death, or
- (b) if there are two or more lives assured, on the death of the last of them to die, provided the policy is then in force.

If this provision applies, we should be told as soon as possible and the policy should be returned to us by the titleholder. Any other requirements (which will depend on the circumstances) will be advised at the time.

3.2 Amount

Subject to provisions 3.3, 3.4 and 5.7 and to any statement in the schedule to the policy, the death benefit will be the amount which would have been paid under provision 2 if an election had been made to cancel the whole policy at the date of the death giving rise to the death benefit or, if the life assured (or the youngest of the lives assured, if there are two or more lives assured) was under age 75 at the effective date of the policy, the premium, if greater.

3.3 Suicide

If the death giving rise to the death benefit was due to suicide within one year of the effective date of the policy, the death benefit will be subject to the deduction (if any) described in provision 3.5. This provision will not, however, affect the interests of any third party proved to the satisfaction of the Institution to have been acquired for value.

3.4 Basis of the contract

The policy has been granted on the basis of statements made on the application for it. If any of these statements proves to have been untrue in a material respect, the death benefit will be subject to the deduction (if any) described in provision 3.5.

3.5 Deduction

The deduction described in this provision, if it is to be made in accordance with provision 3.3 or 3.4 or any statement in the schedule to the policy, will be equal to the difference (if any) between the death benefit without the deduction and the amount which would have been paid under provision 2 if the appropriate election to cancel the whole policy had been made at the date of the death giving rise to the death benefit.

When the death benefit has to be restricted, the amount payable is the same as the encashment value under provision 2.

3.6 Payment

The death benefit will be payable to the titleholder or his legal personal representatives. The policy will be cancelled on payment being made.

4. Maturity

This provision provides for a cash sum to be payable at the maturity date. Under the legislation in force at the effective date of the policy, this cash sum will normally be free of tax.

If the policy is in force on the maturity date and a death benefit has not become payable under provision 3 before that date, a cash sum will be payable to the titleholder. Subject to provision 5.7, the cash sum will be equal to the sum assured increased by any bonuses. The policy will be cancelled on the maturity date.

The cash sum will be payable to the titleholder.

5. General

This deals with various miscellaneous points indicated by the sub-headings.

5.1 Payment subject to proofs

Payment of any benefit under the policy will be made to the appropriate person subject to the Institution's receiving such proof as it may require of the happening of any event on which the benefit is payable, of legal entitlement and of the date of birth of the life assured or dates of birth of all the lives assured, if there are two or more lives assured.

5.2 Change of titleholder

Notices of assignment may be given to the Institution at its principal places of business in Dublin, London, Belfast and Edinburgh.

It is important for the titleholder to retain with the policy any deeds of assignment and reassignment or any other deeds transmitting title to the policy as these are part of the proof of his legal entitlement and he will be required to produce them before any benefits under the policy are paid to him.

5.3 Payment by cheque

Payment of any amount of money by cheque drawn in favour of the person entitled to receive it, or of any other person authorised by that person with the approval of the Institution, will be an absolute discharge to the Institution for that amount. The Institution will not in any way be responsible for seeing to the application of that amount.

5.4 Source of benefits

Any benefits under the policy are payable out of the Common Fund of the Institution.

5.5 Late payment of death or maturity benefit

If a cash sum becomes payable under provision 3 or 4 and payment is made more than two calendar months after the date of death or the maturity date respectively, the cash sum will be increased, unless the amount of the increase would be less than the minimum amount fixed by the Institution for this purpose. The amount of any increase will be calculated using a rate of interest determined by the Institution in respect of the period from the date two calendar months after the date of death or the maturity date, as appropriate, to the date of payment.

(continued overleaf)

5.6 With-profits

The policy will share in the surplus of the Institution's Common Fund.

Most of Scottish Provident's policies, including With-Profits Bond policies, are invested in its Common Fund. Each year an actuarial investigation is carried out and any surplus in the fund is distributed among with-profits policies in the form of declared bonuses, which are normally expressed as a percentage addition to the with-profits benefits (including any existing declared bonuses).

Declared bonuses are taken into account in assessing the value of the policy on early encashment, maturity or earlier death. Once declared bonus has been added it becomes a permanent addition to the benefits and cannot be taken away.

An additional "terminal bonus" may also be paid under your policy. Terminal bonuses reflect any especially favourable investment conditions over the period that a policy has been in force. Although terminal bonuses are currently being paid for many policies, there is no guarantee that they will be paid in future, or if they are at what level they will be paid, since they depend on future investment conditions which cannot be foreseen.

5.7 Wrong date of birth

If the date of birth of the life assured or, if there are two or more lives assured, the date of birth of any of them has been wrongly stated to the Institution, the Institution will be entitled to adjust the benefits under the policy in such manner as it considers appropriate.

5.8 Legislation

If the policy or the Institution should be affected by legislation or other circumstances beyond the Institution's control, the Institution may change these provisions in such reasonable manner as it thinks necessary.

5.9 Proper law

The law by which the policy is governed and the jurisdiction to which the Institution is subject in respect of the policy are those of the Republic of Ireland.

5.10 Laws of the Institution

This policy is subject to the Laws of the Institution.

5.11 Currency

Premiums and benefits are payable in the currency of the Republic of Ireland in Dublin.

S C O T T I S H
PROVIDENT
I R E L A N D

Chief Office

53 Fitzwilliam Square,
Dublin 2.

Area Offices

DUBLIN 53 Fitzwilliam Square,
Dublin 2.

CORK Scottish Provident House, 52 South Mall,
Cork.

The Scottish Provident Institution, a mutual life office incorporated in Great Britain by Act of Parliament (registered no Z5). Head Office: 6 St Andrew Square, Edinburgh EH2 2YA.
Scottish Provident is a member of the Irish Insurance Federation.