

Changes to your Standard Policy Terms and Conditions



In accordance with clause 11.7 of your Policy Terms and Conditions, the Company, acting on professional actuarial advice has found it necessary to make changes to your Policy Terms and Conditions. These changes will apply to your existing investments in the Internal Funds together with the allocation to Internal/External Funds linked to your Policy in respect of all future premiums that you pay.

On 18 March 2016 all of your units in the Internal Funds will be switched into a new Lebanese Deposit Fund. Once the switch has taken place all Internal Funds other than the Lebanese Deposit Fund will be closed.

Under the revised Policy Terms and Conditions, whilst you will be able to access a new range of External Funds, you must keep at least 50% of your Policy Value in the Lebanese Deposit Fund at all times. In addition to this, 50% of all future premiums paid from 18 March 2016 must be allocated to the Lebanese Deposit Fund.

Addendum to terms and conditions

This Addendum should be read in conjunction with your Policy Terms and Conditions for your Protected Lifestyle Lebanon Policy.

Your attention is also drawn to the "Definitions" section of the Policy Terms and Conditions which sets out definitions of certain words and expressions used in the Policy Terms and Conditions. Such words and expressions bear the same meanings when used in this Addendum, unless the context requires otherwise.

With the exception of clause 2 in the Terms and Conditions, any other terms and conditions expressed or otherwise in relation to an Internal Fund should be read as applying to an External Fund also.

2 The Funds

2 The Internal Funds

2.2.13 At least 50% of your Policy Value must be held in the Lebanese Deposit Fund(s) at all times.

The Company reserves the right to rebalance your exposure to any External fund to ensure that you continue to adhere to this requirement

2.2.14 At least 50% of each Regular Premium and/or Single Premium paid into your Policy must be allocated to the Lebanese Deposit Fund(s).

2a External Funds

2a.1 For each Regular Premium and/or Single Premium paid into your Policy the Company will buy units in your chosen External Fund on the business day following the date that cleared funds have been received, using the unit prices available as soon as reasonably practicable thereafter. You are only able to allocate a maximum of 50% of any premium paid to the External Funds.

2a.2 The value of your units in any External Fund in which your Policy is invested will be used to determine the current Policy Value and Surrender Value.

2a.3 You must invest a Minimum Amount into each External Fund as detailed in the Policy literature. The Company will specify from time to time the maximum number of External Funds that the Policy can invest into.

2a.4 For the purposes of valuing your units, if any External Fund is valued in a currency other than the Policy Currency, its value will be converted into the Policy Currency at a rate determined by the Company, based on those commercially available in the market.

2a.5 You can ask the Company in writing to sell some or all of the units in any External Fund in which your Policy is invested, and use the proceeds to purchase units in another available fund. Instructions to switch out of an External Fund will normally be sent to the fund manager of the relevant External Fund as soon as is reasonably practical following receipt of the request. The purchase of units in a newly selected fund will not occur until such time as the Company has received the value of the units in the existing External Fund.

- 2a.6 Where an External Fund switch takes place between funds that are priced in different currencies, a foreign exchange transaction is required. This will be done at a rate determined by the Company, based on those commercially available in the market.
- 2a.7 The Company may delay selling or buying the required units in an External Fund in exceptional circumstances, including but not limited to:
- where in the Company's reasonable opinion there is no suitable market on which to sell the fund(s); or
 - where the Company is unable to obtain a value of the units from the relevant fund manager for whatever reason including but not limited to suspension of the fund;
 - where in the Company's reasonable opinion the purchase or sale of units would lead to some policyholders being treated unfairly.
- 2a.8 Subject to the provisions of this paragraph, the Company can delay buying or selling units for up to one calendar month. When the units are eventually sold, the price will be calculated on the next available pricing date for the relevant External Fund. Purchases and sales of units in External Funds may also be delayed as determined by the fund managers thereof, subject to the specific terms and conditions applicable to the relevant fund. No liability or responsibility shall accrue to the Company in respect of any delay beyond the Company's control. In the situation where an External Fund is suspended, for any reason, it may have no value within Your Policy until such a time as it is no longer suspended.
- 2a.9 **Acceptability:** The Company will have the right, in its absolute discretion, at all times to:
- determine if an External Fund should continue to be offered for investment;
 - refuse an instruction from you or your appointed advisers to buy units in an External Fund which is regarded by the Company as having become unsuitable for investment or contrary to any applicable law or regulation;
 - switch from one fund into another External Fund where a fund is regarded by the Company as not suitable for investment or which is contrary to any applicable law or regulation;
 - cancel units equal to any charges or other costs, including but not limited to currency conversion costs, that the Company is charged as a result of switching funds for you.
- 2a.10 **Risk:** It is important for you to note that all External Funds will have some form of risk attached to them. The Company will not be responsible for the performance of your chosen External Fund and will not pay any compensation to you should the value of your units in that External Fund fall in value, or have no value at all. Where the provider of an External Fund becomes insolvent or is unable to meet its liabilities for any reason, your units in that External Fund and as a consequence, your Policy, will suffer the loss.
- 2a.11 **Fund charges:** Each External Fund is subject to the specific terms and conditions applicable as detailed in the Investment Guide. External Fund charges are determined by the relevant fund manager and may be subject to change.
- 2a.12 **Termination of a fund:** Where an External Fund is closed, withdrawn, or the Company determines that it should no longer be available to you for investment, the Company will contact you and advise you accordingly. We will tell you in our communication what options are available to you and the timescale for notifying us of your replacement fund choice. In the absence of receiving any such advice or instruction from you within the timescale specified, the Company will, wherever possible, effect a switch into an alternative fund of the Company's choosing and redirect premiums as appropriate.
- 2a.13 **Bid/offer spread:** Each External Fund may be priced using a bid/offer spread (where there may be a difference between the unit price quoted for an immediate sale of units and the unit price quoted for an immediate purchase of units in that External Fund). Further details as to the amount of the difference can be provided upon request.

Additional Definitions

"**External Funds**" means a fund managed by a fund manager other than the Company, which the Company makes available for investment via the Policy from time to time. The number and types of External Funds available at any time shall be at the sole discretion of the Company.

"**Lebanese Deposit Fund**" means an internal fund linked to a cash deposit placed with a bank domiciled in Lebanon selected by the Company from time to time.

"**Minimum Amount**" is the lowest value investment accepted in an External Fund at any given time as detailed in the Policy literature provided to you.

"**Policy**" means this Policy, including any amendments or Endorsements made by the Company from time to time.
 "Policy Value" is the value of your Policy as determined by the Company and is based on the value of the Fund(s) held in your Policy at the date specified.

"**Surrender Value**" is the value of your Policy less any charges that apply on surrender.