

## 1. These Conditions

- 1.1 The Core Policy Conditions and Asset Rules apply unless overridden by these specific Conditions.
- 1.2 Expressions defined in the Core Policy Conditions have the same meanings in these Conditions.
- 1.3 For the purpose of these Conditions, the following additional definitions apply:

### **Client**

The Policyholder.

### **The Company**

American Life Insurance Company or its successors.

### **ISA**

An individual savings account as defined in and for the purposes of the ISA Regulations.

### **Stocks & shares ISA**

A stocks & shares account as defined in the ISA Regulations.

### **Cash ISA**

A cash account as defined in the ISA Regulations.

### **FSA**

The Financial Services Authority or its successor.

### **Tax Year**

The period beginning 6th April one year and ending 5th April in the following year.

### **HMRC**

Her Majesty's Revenue and Customs.

### **The Plan**

The contract between the Client and the Company on the terms of these Conditions, the Core Policy Conditions, the Asset Rules and the application submitted by the Client to the Company.

### **ISA Regulations**

The Individual Savings Account Regulations 1998 (SI 1998/1870) and any provisions that supplement or replace those regulations, as amended from time to time.

## 2. The Plan

- 2.1 The Plan is a single policy of insurance on the life of the Client. The Plan may only be owned or held as a qualifying investment for an ISA.
- 2.2 The Plan also constitutes a stocks & shares ISA to which only the Client may subscribe.
- 2.3 The Plan is issued in the name of the Client and must remain at all times in the beneficial ownership of the Client. The title to the Plan shall be vested in the Client and, where a policy document or other document evidencing title to the Plan is issued, it shall be held by the Client.

## 3. Appointments

- 3.1 The Company is both the insurer under the Plan and the plan manager for the purposes of the ISA Regulations.
- 3.2 The Company is authorised and regulated by the FSA and is registered as a plan manager with HMRC reference Z1720.

## 4. Taxation

- 4.1 For as long as the Plan complies with the requirements of the ISA Regulations, the Client will not be subject to UK tax on any investment gains within the Plan.
- 4.2 The Client authorises the Company to provide HMRC with all relevant information regarding the Plan.

## 5. Applications

- 5.1 Subscriptions to the Plan may only be made with the Client's own cash. The maximum amount that the Client may subscribe to the Plan in each Tax Year is subject to the limits set out in the ISA Regulations.
- 5.2 The Client may only subscribe to the Plan if, for the relevant Tax Year, the Client is either resident or ordinarily resident in the United Kingdom or, although non resident in the United Kingdom, performing duties as a Crown employee which are treated as being performed in the United Kingdom; or the Client is the spouse or civil partner of such a person.
- 5.3 In each Tax Year in which the Client subscribes to the Plan, the Client may not subscribe to any other stocks & shares ISA.

5.4 The Company may at its discretion accept an application for a Plan submitted by fax, but this will be conditional on the Company receiving the original application within the next 30 days.

5.5 The Client may transfer the proceeds of an ISA with another provider into the Plan. Any such transfer must be made in cash and will be subject to receipt and acceptance by the Company of a duly completed Transfer Instruction Form.

## 6. Investments and Restrictions

6.1 The Plan will not make any account investments (as defined in the ISA Regulations) other than in and through the policy of insurance constituted by the Plan.

6.2 The Plan is personal to the Client and, subject to the provisions below with regard to death of the Client and transfer of the Plan to another ISA manager:

- a. these Conditions expressly prohibit any transfer of the Plan, or the rights conferred by the Plan or any share or interest in the Plan or those rights respectively, other than payment to the Client of the cash proceeds from the termination of the Plan or a partial surrender of the rights conferred by the Plan;
- b. the Plan, the rights conferred by the Plan and any share or interest in the Plan or those rights respectively, shall not be capable of assignment or (in Scotland) assignation; and
- c. the Plan may not be held under a trust or used as security for a loan.

## 7. Withdrawals

7.1 The Client may at any time and from time to time request withdrawals from the Plan in accordance with Section 9 of the Core Policy Conditions.

## 8. Death

8.1 In the event of the Client's death, the remaining rights and interest in the Plan will vest in the personal representatives of the Client and a death benefit will be payable in accordance with the Core Policy Conditions. The tax benefits of the Plan will cease from the date of the Client's death.

## 9. Withdrawal and Transfers

9.1 On the written instructions of the Client, and within such reasonable time as is stipulated by the Client in those instructions, the Company will:

- a. surrender the policy of insurance comprised in the Plan in accordance with the Core Policy Conditions and pay to the Client the proceeds of surrender and all interest, dividends, rights or other proceeds in respect of the Plan; or
- b. surrender the policy of insurance comprised in the Plan as described at paragraph (a) above and transfer the proceeds described in that paragraph as the transfer of an ISA to a new ISA manager eligible to receive it as an ISA transfer in accordance with the ISA Regulations.

9.2 Where the Client requests the transfer of their ISA to another ISA manager, the Client must provide to the Company an original Transfer Instruction Form for the Company to forward to the new ISA Manager.

## 10. Delegation

10.1 If the Company delegates any of its functions or responsibilities in relation to the Plan to another person, it will satisfy itself that the person concerned is competent to carry out those functions and responsibilities.

## 11. Void ISAs

11.1 The Plan will terminate automatically with immediate effect if the Company becomes aware of any facts or circumstances as a result of which the Plan has become void as an ISA and cannot be repaired. In those circumstances, the Plan will be treated as surrendered in accordance with the Core Policy Conditions and some or all of the tax benefits of the Plan will be lost.

11.2 The Company will notify the Policyholder if, by reason of any failure to satisfy the ISA Regulations, the Plan is or will become void as an ISA and no longer exempt from tax.