

A GUIDE

# Your Annual Statement explained

Helping you make sense of the numbers



Countrywide Assured

# The purpose of this guide

This guide aims to help you make sense of your policy's Annual Statement. It explores each section highlighting key information and things to look out for.

You'll also find a list of frequently asked questions (FAQs) on page 6. It's made up of typical queries to our Customer Services helpline, so we hope they will answer any questions you have about your Annual Statement.

Our aim is to keep things simple. But there are some things we cannot avoid, such as widely-used industry terms. You'll find all the definitions of the terms included in this guide and your Annual Statement on pages 07 and 08 – should you need them – with those included in this guide underlined. You'll also find we've highlighted important messages and information with the help of icons – see the key below.

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## Key:

A key to the icons used throughout this guide.

 Important information

 Warning

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 **The statement shown here is an example created specially for this guide.** It aims to help you navigate your way around this important document. Your own Annual Statement will show features and amounts relating to your policy and will differ from those shown in the examples included in this guide.

If anything is unclear or you need more information, please contact us using the number shown at the top of your statement and having your policy number to hand will help too.

# Understanding your Annual Statement

THIS PAGE OFFERS A SNAPSHOT OF YOUR POLICY OVER THE PAST 12 MONTHS. THE SUMMARY HIGHLIGHTS KEY DETAILS SO YOU CAN SEE AT A GLANCE YOUR POLICY'S PROGRESS SINCE LAST YEAR'S STATEMENT.

## ANNUAL STATEMENT

This statement provides an overview of your policy so you can make sure it's on track to meet your financial needs.

countrywideassured.co.uk

**CURRENT STATEMENT DATE** 31 December 2018

**PREVIOUS STATEMENT DATE** 31 December 2017

**Customer helpline:**  
XXXXXXX

**Opening times:**  
Monday to Friday 9am to 5pm

### Your policy summary

YOUR NAME(S)	A N Other
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POLICY NAME	Enterprise	POLICY NUMBER	123456Z
POLICY TYPE	Endowment	POLICY STATUS	In force
START DATE	31 December 1998	END DATE	31 December 2023

CURRENT PREMIUM	£50.00	ESTIMATED ANNUAL MANAGEMENT CHARGE during statement period	£65.00
FREQUENCY	MONTHLY	OTHER CHARGES during statement period	£130.00
BONUS(ES) during statement period	£70.00		

POLICY VALUE AT LAST STATEMENT DATE	£48,533.18
TOTAL PREMIUMS DURING STATEMENT PERIOD	£600.00
INVESTMENT GROWTH/LOSS DURING STATEMENT PERIOD AFTER CHARGES PAID	£1948.01
POLICY VALUE AT STATEMENT DATE	£51,081.19

SURRENDER CHARGE AT STATEMENT DATE	£342.58
SURRENDER VALUE AT STATEMENT DATE	£50,738.61

#### IMPORTANT INFORMATION

Please remember that the policy and surrender values may go down as well as up.

**TIP 1**  
Do read your statement along with the enclosed 'Your Annual Statement explained' guide.

**TIP 2**  
Get financial advice if you're thinking about making any changes to your policy.

Your Annual Statement is designed to help you check your policy is on track, whether that's protecting you and your loved ones, or paying off your mortgage. Your statement will help you see if you need to make any changes.

We can't stress enough that getting guidance or advice is essential, especially if you have complex financial arrangements.

This is a summary of your **policy charges** for the last year. They reflect the cost of providing your policy benefits, such as death benefit and waiver of premium, and for looking after your policy. You'll find a breakdown of these charges in the section 'Your policy – money out' overleaf.

This figure shows your **regular premiums**. You'll find the total premiums for the last year shown below.

Here you can see at a glance the **value of your policy** and how this has changed over the last twelve months. It shows the growth achieved over the past year, taking into account the policy premiums and charges. Some of our policies include a surrender charge, which is shown here on the Annual Statement. If the amount shown on your statement is zero, this means your policy does not carry this charge.



Please remember that the policy and surrender values may go down as well as up.

LOOK OUT FOR ANY NOTES INCLUDED ON YOUR STATEMENT AS THEY'RE LIKELY TO HIGHLIGHT DETAILS ABOUT YOUR POLICY THAT NEED YOUR ATTENTION.

# Understanding your Annual Statement

## YOUR POLICY

### BENEFITS

This section features the benefits of your policy.

#### A N OTHER

#### Death benefit

This provides your family and loved ones with a cash lump sum should you die during the term of your policy.

£70,000

#### Critical illness benefit

If you are diagnosed with a specified critical illness, such as cancer, heart attack, stroke and multiple sclerosis, this benefit provides you with a cash lump sum.

£70,000

#### Waiver of premium

If you are unable to work because of an illness or accident, this benefit will pay your policy premiums for you.

Included

#### Target amount

This is the amount your policy was set up to repay at maturity.

£70,000

### UNDERSTANDING YOUR STATEMENT

See our guide to 'Your annual statement explained' for explanations of the benefits and other key details.

All the **benefits** covered by your policy are shown here. If you need to remind yourself of what each benefit provides, see pages 07 and 08 of this guide.

Your policy benefits are available to you during the term of your policy. Please bear in mind that the information covered by this guide is general. So if you need details about your particular policy, please call us using the telephone number shown at the top of the letter accompanying this guide.

### POLICY VALUES EXPLAINED

This section shows a breakdown of the value of your policy using the total number of units and the sale price on the date of this statement.

Policy value at 31 December 2017	£48,533.18
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Fund name	Fund code	Type of units	Total units at statement date	Sale price at statement date £	Value at statement date £
Managed	AB123	Capital	388.086	3.48	1,350.54
		Accumulation	5878.926	4.21	24,750.28
Equity	CD456	Capital	609.207	4.35	2,650.05
		Accumulation	4493.239	5.13	23,050.32
<b>Total policy value</b>					<b>51,081.19</b>
<b>Surrender value</b>					<b>50,738.61</b>

This table shows how your **premiums are invested in one (or more) of your investment funds**. It tells you how many units were bought across the two types, capital and accumulation – see pages 07 and 08 for more information about these unit types.

The values are calculated by multiplying the number of units by the sale price. For example, the statement shows capital units in the Managed Fund (AB123) as 388.086, which multiplied by the sale price of £3.48 gives a value of £1,350.54.

The difference between the **total policy and surrender values** equals the surrender charge. This charge only applies if you decide to surrender your policy before the maturity date.

### BUYING AND SELLING UNITS

The price we pay when selling investment units should you decide to cash-in your policy or make a claim is referred to as the 'bid price'. Whereas the price at which we buy the investment units with your policy premiums is referred to as the 'offer price'. The bid price is always lower than the offer price. The difference between each price is referred to as the 'spread'.

The cost of buying and selling units is referred to as the 'bid/offer spread' – see the Money Out section below.

### WHAT ARE CAPITAL UNITS?

Capital Units have a higher annual management charge than accumulation units. Capital units are purchased in the early years (often the first 1-2 years following policy set-up or a premium increase) as a way of spreading initial charges over the life of the policy. Often capital units are switched to accumulation units after a specified period, so the higher charges are no longer taken after that time.

### INVESTMENT PERFORMANCE

For information about your Investment fund(s), visit [countrywideassured.co.uk](http://countrywideassured.co.uk)

### WHAT ARE ACCUMULATION UNITS?

This is a type of unit which has a lower annual management charge than capital units. Your ongoing policy charges are taken from these units. They are found on all unit-linked policies. If there are also capital units in the policy, then accumulation units will be bought after the end of the capital unit period, and for all one-off lump sum payments. For more information, please refer to your policy terms and conditions.

## YOUR POLICY – MONEY IN

### YOUR PREMIUMS

	Your total premiums
12 MONTHS TO 31 December 2018	£600.00

### 'ADDED EXTRAS'

The 'extras' shown here are particular to your policy and usually linked to your policy maturity date. **These are valuable bonuses or guarantees, which you could lose if you take your money before the maturity date.**

#### Enhanced allocation

Your policy benefits from an 'enhanced' allocation rate, which means the amount we invest in your policy is greater than the regular premiums you make. Please bear in mind there is a charge for buying and selling units, referred to as the '**bid/offer spread**', which is common to all unit linked policies. The enhanced allocation will offset some of this charge. Please see the next section for details about your policy charges.

#### Bonus

Your policy receives additional units every year equal to 0.5% of the units held on the date of allocation. This means your policy received a bonus of £70.00 last year.

## YOUR POLICY – MONEY OUT

### CHARGES DURING 12 MONTHS TO 31 DECEMBER 2018

ESTIMATED ANNUAL MANAGEMENT CHARGE £65.00

This charge covers the cost of managing the investment fund(s) and administration. The annual management charge is calculated each day based on the value of the fund. Because we deduct the charge when pricing the fund rather than by selling units from your policy, the amount shown on your statement is an estimated charge.

#### OTHER CHARGES

Administration charge	£30.00
Death benefit	£30.00
Critical Illness benefit	£50.00
Waiver of Premium benefit	£10.00

Bid/offer spread £10.00

The cost of buying and selling units is referred to as the 'bid/offer spread'. See 'Buying and selling units' above for an explanation.

**TOTAL £195.00**

We are committed to protecting and respecting your privacy. Our Privacy Policy explains when and why we collect personal information, how we use it, the conditions under which we may share it with others and how we keep it secure. The Policy also explains how you can obtain details of the information we hold about you and the choices you have about how we use your information. You can find a full copy of our Privacy Policy on our website at [www.countrywideassured.co.uk](http://www.countrywideassured.co.uk) or by calling our Customer Services Team on XXXXXXXX.

#### TIP 3

Any questions?  
Call us on XXXXXXXX  
Opening times  
Monday to Friday 9am to 5pm

#### TIP 4

Before you take any action,  
please get financial and/or tax advice to  
understand fully the outcomes.

Here the **added extras** refer to other benefits your policy provides, which need to be taken into account. For example, if your policy has a **bonus**, it will feature in this section. **Bonuses** are a valuable benefit which you could lose if you make any changes to your policy before the maturity date.

This section lists all the **costs of providing each of your policy benefits as well as our charge** for looking after your policy.

It enables you to not only understand what you're paying for but also to view your policy charges alongside the growth in value over the past year.

For further details about your policy benefits and charges, see pages 07 and 08.



For customers no longer paying into their policy – referred to as a 'paid-up' policy – the charges will continue to be deducted. In some cases, this may cause the policy value to reduce to nothing.

# Reviewing your Annual Statement

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## Taking stock of your world

Reviewing your annual statement offers an opportunity to take stock of your financial and personal situation. It's important to consider whether your policy continues to support you and your loved ones in a way that is relevant to your financial and personal circumstances today.

Take a moment to consider the following questions:

- Have there been any changes that may affect your policy with us?
  - Any health or lifestyle issues?
  - Changes in the family?
- Are your personal details on the statement correct?
- Have your circumstances changed?
  - Have you moved house?
  - Moved abroad?
  - Made changes to your working week?
  - Working part-time?
  - Stopped working?

It's important to let us know of any changes, especially if you move home. This way we can keep you updated about your policy and you avoid missing any key calendar dates.

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## How to use your Annual Statement

Thinking about the past year and what you might have in mind for the future, how can your Annual Statement help you?

It may help to answer important questions such as:

- How does the value of my policy this year compare to last? i.e. is my money growing?
- Is the level of life cover too much or too little?
- Are my fund choices right for me?
- Do I need to get some financial guidance or advice?
- Are the benefits appropriate to my needs?
- Am I entitled to claim on any of the benefits I'm paying for?
- Are there any bonuses on my policy?

These are just a few examples of the sort of questions you may want to ask yourself when reviewing your Annual Statement.

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## Thinking ahead

Having completed a review of your Annual Statement, we recommend you consider what may be on the horizon in the coming year and whether this may mean making changes to your policy. You'll see below we have included some questions that may be relevant to you following your review.

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### Are there any events ahead that could mean making changes to your policy?

For example, maybe you're due a promotion or a pay rise, or you're planning to move home either here in the UK or abroad. Or your children are leaving the family home. Whatever the situation, it may be worth talking to us about the policy options available to you.

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### If you're thinking of surrendering your policy, are there any important bonuses you need to pay attention to?

If your policy has a bonus, it's a **valuable benefit**. **Get advice.** If you don't have a financial adviser visit [unbiased.co.uk](https://unbiased.co.uk) to find one in your area.

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### Is your money invested in the right fund for the short or long term? Or somewhere in the middle?

You can find latest fund information on our [website countrywideassured.co.uk](https://countrywideassured.co.uk)

## Frequently asked questions

Here are the top ten questions our customers ask after receiving their Annual Statement:

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### Q How can I find out more about the charges?

A See your Annual Statement, section 'Your policy – money out'. There you'll find a breakdown of charges for each of your policy benefits over the past year as well as the cost of looking after your policy. Knowing your policy charges enables you to weigh up the cost relative to the valuable benefits your policy provides.

### Q How are the charges paid for?

A This depends on the type of policy you have with us. For example, for some policies, our charges are covered by the unit price or by selling investment units, and others, by deducting an amount from the regular premium.

### Q How can I increase the benefits of my policy?

A It may be possible to increase (or reduce) your benefits but it depends on the type of policy you have with us. The best way to find out is to call us using the telephone number at the top of your statement.

### Q Where can I get advice?

A To find an independent financial adviser (IFA) visit [unbiased.co.uk](http://unbiased.co.uk) to find one in your area.

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### Q How do I let you know about my change of address?

A Call us using the telephone number at the top of your statement. Or complete the 'Change of address' form enclosed with your Annual Statement and return it to the address provided on the form.

### Q What is a Unit Linked fund?

A A Unit Linked fund is an investment fund that is divided into a number of equal units, each representing an equal share of the fund. The value, or price, of the units depends on the value of the investments that make up the investment fund, such as shares, bonds, property and cash.

When policyholders put money into their investment, they buy units from the company. When policyholders withdraw money from the fund, they sell their units back to the company. For more information about Unit Linked funds and how they work, see our website [countrywideassured.co.uk](http://countrywideassured.co.uk)

### Q Where can I find fund performance information?

A As performance information changes daily, you'll find the latest short and long term results for each of our funds on our website [countrywideassured.co.uk](http://countrywideassured.co.uk)

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### Q How can I cash-in my policy?

A We strongly recommend you get advice before taking any action. This needs careful thought, especially if you have guarantees or bonuses. It's important to check the details to make sure you don't lose out. To find an independent financial adviser (IFA) in your local area visit [unbiased.co.uk](http://unbiased.co.uk).

If you have any questions about your policy, call us using the telephone number at the top of your statement.

### Q Can I start a new policy with you?

A It isn't possible to start a new policy with us and we recommend you speak with an independent financial adviser (IFA) to find the right policy for you. If you don't have one, visit [unbiased.co.uk](http://unbiased.co.uk) to find one in your area.

### Q Can I switch funds?

A It may be possible to switch funds. Please contact us to find out more.

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### Any questions?

To find the answers visit [countrywideassured.co.uk](http://countrywideassured.co.uk) or call us using the telephone number at the top of your statement.

## What's next?

Useful services and support



To find out more about the different types of life insurance, visit [abi.org.uk/products-and-issues/choosing-the-right-insurance/life-cover/](https://abi.org.uk/products-and-issues/choosing-the-right-insurance/life-cover/)



For information about life insurance policies visit the Money Advice Service website [moneyadvice.service.org.uk/en/articles/endowment-policies](https://moneyadvice.service.org.uk/en/articles/endowment-policies)



Connecting millions to great advice

### Independent financial advice

Getting up-to-date and independent advice could save you money in the long run. It's important to view an adviser's upfront fee alongside the potential long-term savings in areas such as tax and charges.

A pension expert will review existing pension savings and offer options that are personal to individual needs – a welcome benefit if there are complex circumstances to consider, such as health and/or dependants.

For many, getting independent advice takes away the fear of making the wrong decisions and the stress of shopping around.

Finding a local independent adviser is easy.

Visit [www.unbiased.co.uk](https://www.unbiased.co.uk)

## Definition of key terms

### Accidental death benefit

This benefit provides a lump sum payment to your family and loved ones should you die as a result of an accident.

### Accumulation units

Typically accumulation units are purchased for regular premiums, from year two or three onward, and for all one-off lump sum payments. The ongoing policy charges are paid for by cashing-in units.

### Administration charge

This charge covers the cost of looking after your policy until the maturity date. See your latest Annual Statement for more details.

### Allocation rate

This relates to the portion of your premium that is invested in your policy.

### Annual management charge

This charge covers the cost of managing the investment fund(s) and administration.

The annual management charge is calculated each day based on the value of the fund. Because we deduct the charge when pricing the fund rather than by selling units from your policy, the amount shown on your statement is an estimated charge.

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### **Bid/offer spread**

The bid price is the price we pay when selling investment units should you decide to cash-in your policy or make a claim. The offer price is the price at which we buy the investment units with your policy premiums. The bid price is always lower than the offer price. The difference between each price is referred to as the 'spread'. The bid/offer spread contributes to the cost of investing your premiums into the investment fund.

### **Bonus**

A policy may benefit from a bonus by extra units being added at certain times during the life of your policy. To find out more about the bonus relating to your particular policy, please call us quoting your policy number.

### **Capital units**

This type of unit tends to be used during the early years of a policy but not exclusively, for example, an increase in a policy's premium. Your premiums buy capital units and after a specified period, there is a switch from capital to accumulation units. The annual management charge tends to be higher for capital units.

### **Critical illness benefit**

Also known as serious illness benefit, this pays a tax-free one-off payment in the event of a critical illness, such as cancer, heart attack, kidney failure and paralysis. Not all conditions are covered and the level of seriousness will form the terms and conditions of the policy from the outset.

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This type of cover usually forms part of a life assurance policy and features as a 'policy benefit'. Details of the critical illness benefits covered by your policy are shown in your policy's terms and conditions. Or you can find out more by calling us and quoting your policy number.

### **Death benefit**

This provides your family and loved ones with a cash lump sum should you die.

### **Enhanced allocation**

If your statement refers to an 'enhanced' allocation rate, it means the amount we invest in your policy is greater than the regular premiums you make.

### **Income protection**

This is sometimes referred to as 'Permanent Health Insurance', it provides an income to help you meet your financial commitments should you be unable to work as a result of an illness or accident. The cover can replace income in a number of ways depending on the premium and the policy terms and conditions. For example, it can provide a regular amount until a return to work. It's important to check the level of benefit to make sure it reflects current income. For example, a pay rise and/or promotion, or job change, are reasons to review this benefit. You can find out more by calling us and quoting your policy number.

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### **Indexation**

It's a built-in feature that helps to protect a policy from the effects of inflation and makes any necessary changes. It aims for a policy's benefits or premiums, or both, to keep up with the cost of living. The 'indexation rate' is either the Retail Price Index or a fixed rate.

### **Permanent total disability benefit**

If you become unable to work permanently as a result of an illness or accident, this benefit provides you with a cash lump sum.

### **Retail Price Index (RPI)**

It measures the change in the cost of a typical selection of retail goods and services and is one of the key measures of inflation.

### **Terminal illness benefit**

This benefit provides a cash lump sum if you're diagnosed with a terminal illness which will significantly reduce your life expectancy. The amount shown on your statement is the maximum payable although the actual amount would be at the discretion of Countrywide Assured. Payment of this benefit will reduce or replace the sum assured benefit.

### **Waiver of premium**

If you are unable to work because of an illness or accident, this benefit will pay your policy premiums for you.

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## Other guides available from Countrywide Assured



### Pension options guide

A guide to support and help you understand the different ways you can access your retirement savings. It's designed to give you a complete view so you can make an informed decision.



### Surrender process guide

Surrendering a policy isn't an easy decision to make, particularly if you have extra benefits and guarantees. This guide aims to help you weigh up the pros and cons and what to do should you decide to go ahead.



### Transfer guide

A guide to help you weigh up the pros and cons of transferring your pension. It's a decision that needs looking at from every angle, because once you transfer your pension, there's no going back.



### Maturity guide

A guide to help you understand how to access your money when your policy reaches its maturity date and the options that may be available to you.

Notes:

## **Any questions?**

Call us using the telephone number shown on the top of the letter accompanying this guide.

Or go to  
**[countrywideassured.co.uk](https://countrywideassured.co.uk)**

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