

# SPLIT TRUST

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**The Split Trust should only be used where the plan commenced on or before 31 December 2018 and critical illness cover was selected.**

This deed is provided as a draft to be considered by you and your professional adviser. We can accept no responsibility for the tax or any other consequences arising out of you executing this deed, or for ensuring that the deed meets with your requirements.

## Use of the Trust

1. This Trust is for your protection plan and allows you to keep some benefits under the plan for yourself and to give others away.
2. This Trust can be used to allow you to receive any benefit paid on diagnosis of a critical illness if you survive the diagnosis by 30 days, but to give the benefit away if you die within this time.
3. The benefits you give away will no longer be an asset in your estate and would not normally be liable for Inheritance Tax (IHT). A liability to IHT may arise if any benefit paid following a claim remains in the Trust past the next 10-year anniversary of when the Trust was created. For more information on this, please speak to your financial adviser.

## Types of Trust

1. The Retained Benefits are any benefits you choose to keep for yourself. They will be held on a Bare Trust which means that they remain your property.
2. The Gifted Benefits are the benefits of the plan you choose to give away. Under this type of trust, the Trustees are able to change your chosen beneficiaries and direct the Gifted Benefits to any other beneficiaries you refer to in the Trust. You should give the Trustees a Letter of Wishes outlining the circumstances in which they might use the powers they are given in Clause B2.
2. By signing this form, you give the Trustees wide powers over how the Trust is administered and the Trust Fund invested, including the power to delegate the investment of the Trust Fund to an independent Fund Manager.
3. You can appoint a new Trustee or Trustees and can also remove one or more of the existing Trustees. However, there must always be at least two Trustees acting, unless a corporate body is named as Trustee.

## Note

US Specified Person means a US citizen or tax resident individual, who either holds a US Passport, a US Green Card, has a US residential/correspondence address or who was born in the US and has not yet renounced their US citizenship. More information on US FATCA can be found at [www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA](http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA).

## Trust administrative provisions

1. We recommend that you appoint at least two Additional Trustees. They will be responsible for making sure that the Trust Fund is paid to the beneficiaries you select, or for selecting alternative beneficiaries from the Discretionary Beneficiaries listed in Section F, Definitions.

## **DECLARATION OF TRUST**

Please complete this form in **blue ink** using **BLOCK CAPITALS** throughout.

If you are placing an existing RL360 plan in trust, you will need to return the original plan documents to us with this trust deed.

### **A. DECLARATION**

- A1 This Declaration of Trust is made on  20  by the settlor as follows.
- A2 The settlor assigns the Trust Fund to the trustees to hold it on the trusts set out below.
- A3 The Definitions in Part F shall have the meanings set out in that Part.

### **B. TRUST PROVISIONS**

- B1 The Trustees shall hold the Retained Benefits upon trust for the absolute benefit of the Settlor.
- B2 The Trustees shall, subject to the provisions of Clause B3, hold the Gifted Benefits upon trust for the benefit of such one or more of the Discretionary Beneficiaries in such proportions, on such terms and conditions and subject to such new or other trust purposes, powers and provisions as to both income and capital (including power to accumulate during such period permissible by law) as the Trustees may during the Trust Period revocably or irrevocably appoint in writing.
- B3 Where the Gifted Benefits include 'Critical Illness Cover' and or 'Terminal Illness Benefit' then, in the event of the Settlor being diagnosed as suffering from a critical or terminal illness, as provided for and defined in the Plan, and the Settlor surviving such diagnosis by 30 days, the Trustees shall hold the 'Critical Illness Cover' or 'Terminal Illness Benefit' for the absolute benefit of the Settlor.
- B4 Subject to the provisions of Clauses B1 and B3, the Trustees may not pay or apply the Trust Fund or any part of it to or on behalf of the Settlor.
- B5 In the event of the failure of the above Trusts, the capital and income of the Trust Fund or such part of it with respect to which such failure has occurred, shall be held upon Trust absolutely for the intestate heir of the last of the Discretionary Beneficiaries to die, provided that in ascertaining such heir the Settlor shall be deemed to have predeceased the last beneficiary so to die.

### **C. ADMINISTRATIVE PROVISIONS**

The Trustees shall, in addition and without prejudice to all statutory powers, have the powers and immunities set out below. No power conferred on the Trustees shall be exercised so as to conflict with the beneficial provisions of this Deed.

- C1 **General**  
The Trustees shall have all the powers of investment, sale, alienation, exchange, partition, mortgage, charging, pledging, leasing, insurance, protection, improvement, equipment, dealing, disposition and management (and all other powers) of an absolute beneficial owner of the Trust Fund. Such powers shall not be restricted by any principle of construction but shall operate according to the widest generality of which the foregoing words are capable, notwithstanding that certain powers are more particularly set out in the following clauses.
- C2 **Power of investment**  
Any money to be invested may be applied in the purchase or acquisition (either alone or jointly with other persons) of such shares, stock, funds, securities, land, buildings, chattels or other property of whatever nature and wherever situate, and whether involving liabilities or producing income or not, or in making such loans, with or without security, as the Trustees think fit.
- C3 **No requirement to diversify investments**  
The Trustees shall not be required to diversify the investment of the Trust Fund, nor be liable for the consequences of investing, or keeping the Trust Fund invested, in, or in the shares or obligations of, a single business, company or firm, or in one asset or one type of asset.
- C4 **No requirement to invest in income-producing investments**  
No person beneficially interested in the Trust Fund shall be entitled:
- C4 i to compel the sale or other realisation of any assets which do not produce income;
- C4 ii to require the distribution of any dividend by any company from the shares, stock, securities, debenture stock or loan capital of which are comprised in the Trust Fund;

## **C. ADMINISTRATIVE PROVISIONS CONTINUED**

C4 iii to require the Trustees to exercise any powers they may have of compelling such distribution;

C4 iv to insist on the investment of any part of the Trust Fund in assets which produce income.

### **C5 Power to lend**

The Trustees may lend money or assets comprised in the Trust Fund to any person beneficially interested in the Trust Fund, on such terms (whether or not including provision for the payment of interest) and generally as the Trustees think fit.

### **C6 Power to borrow**

C6 i The Trustees may borrow and raise money either without security or on the security of the Trust Fund, any part of it or any assets comprised in it, for any purpose (including the investment of the money so raised as part of the Trust Fund) and may mortgage, charge or pledge the Trust Fund, any part of it or any assets comprised in it, as security for any money so raised.

C6 ii The Trustees may enter into borrowing arrangements jointly with other persons, whether involving joint or several liability.

### **C7 Powers in relation to real property and chattels**

C7 i The Trustees shall have all the powers of an absolute beneficial owner in relation to the disposition, development and improvement of any land comprised in the Trust Fund.

C7 ii The Trustees shall not be bound to maintain any building or other structure on land comprised in the Trust Fund or to preserve or repair any chattels comprised in the Trust Fund.

### **C8 Power to permit occupation of property and enjoyment of chattels**

The Trustees shall have power to permit any person beneficially interested in the Trust Fund or any part of it to occupy, or reside in or upon, any real or immovable property, or to have the enjoyment and use of chattels or other movable property for the time being comprised in the Trust Fund, on such terms as to payment of rent, rates, taxes and other expenses and outgoings and as to insurance, repair and decoration, and generally upon such terms as the Trustees think fit.

### **C9 Exclusion of apportionment**

The statutory and equitable rules of apportionment shall not apply to this Trust or to any interest created under this Trust and the Trustees may treat all dividends and other payments in the nature of income received by them as income at the date of receipt, irrespective of the period for which the dividend or other income is payable.

### **C10 Power of appropriation**

The Trustees may appropriate any asset, or any part of any asset, comprised in the Trust Fund in or towards satisfaction of any interest or share in the Trust Fund as may in all the circumstances appear to them to be just and reasonable. For the above purpose, the Trustees may from time to time place such value on any or all investments or other property as they think fit.

### **C11 Powers in relation to minors**

C11 i The Trustees may pay or transfer any assets comprised in, or any income of, the Trust Fund to the parent or guardian of any minor who is beneficially entitled to such assets or income, and the receipt of such parent or guardian, or of the minor, shall be a full discharge to the Trustees.

C11 ii The parent or guardian of a minor shall in respect of any assets or income received in accordance with this clause have the powers conferred on the Trustees by Part C of this Deed.

### **C12 Power to appoint agents**

The Trustees may, instead of acting personally, employ and pay at the expense of the capital or income of the Trust Fund any agents in any part of the world, whether accountants, solicitors, brokers, banks, trust companies or other agents (without being responsible for the default of any agent, if employed in good faith) to transact any business or do any act in the execution of these trusts, including (without prejudice to the generality of this clause) the receipt and payment of money, the execution of documents and the holding of any securities, property or documents.

### **C13 Powers to delegate**

C13 i The Trustees may engage any person or partnership as investment adviser to advise them on the investment of all or any part of the Trust Fund and they may, without being liable for any consequent loss, delegate to such investment adviser discretion to manage investments on such terms as the Trustees think fit.

C13 ii The Trustees may without being liable for any consequent loss, delegate to any person the operation of any bank, building society or other account.

## **C. ADMINISTRATIVE PROVISIONS CONTINUED**

### **C14 Trustee charging**

- C14 i** A Trustee which is a trust corporation or company authorised to undertake trust business shall be entitled to remuneration in accordance with its published terms for trust business in force from time to time and, in the absence of published terms, in accordance with such terms as may from time to time be agreed between the Trustee and the Settlor or, if the Settlor is unfit, unable or unwilling to act, the person or persons by whom the power of appointing new trustees is exercisable.
- C14 ii** The Trustee, whether acting as a person engaged in a professional business or in a personal capacity, shall be entitled to all normal professional or other fees for business done, services rendered or time spent by such Trustee personally or by such Trustee's firm or company in the administration of these trusts, including acts which a Trustee not engaged in any professional business could have done personally.

## **D. POWER OF APPOINTMENT OF TRUSTEES**

- D1** The power of appointing a new Trustee or Trustees shall belong to the Settlor during his life or for so long as the Settlor retains full legal capacity and thereafter by the Trustees.
- D2** There shall at all times be at least two Trustees unless a corporate body is a Trustee.
- D3** The Settlor may remove one or more of the Trustees by sending a Notice of Removal in writing to the Trustee in question at his last known address. The sending of the Notice by recorded delivery post will be deemed due service of the Removal Notice. The removed Trustee shall co-operate (without any expense to him) in executing any documents or consents required in order to terminate effectively his Trusteeship and to vest the Trust Fund in the continuing Trustees.

## **E. ANCILLARY PROVISIONS**

### **E1 Extended power of maintenance**

The statutory provisions for maintenance and education shall apply, but so that the power of maintenance shall be exercisable in the discretion of the Trustees and free from the obligation to apply part only of the income for maintenance where other income is available.

### **E2 Extended power of advancement**

The statutory provisions for advancement shall apply, but so that the power of advancement shall extend to the whole, rather than one half, of the share or interest of the person for whose benefit the advancement is made.

### **E3 Power to receive additional property**

The Trustees may, at any time during the Trust Period, accept additional money, investments or other property, of whatever nature and wherever situate, paid or transferred to them by the Settlor or any other person. Such additional money, investments or other property shall, subject to any contrary direction, be held upon the trusts and with and subject to the powers and provisions of this Deed.

### **E4 Proper law, forum and place of administration**

This Trust Deed shall be irrevocable and shall be governed by and construed according to the law of the Isle of Man.

### **E5 No requirement to consult with beneficiaries**

Any duty to consult with beneficiaries implied by law shall not apply to the trusts contained in this Deed.

### **E6 Protection of the Trustees generally**

No Trustee shall be liable for any loss to the Trust Fund except as a result of the fraud of such Trustee. Any liability of a Trustee shall be restricted to the liability arising from his own actions or omissions only.

### **E7 Power to exercise powers except where personal interest**

A Trustee may either exercise, or concur in exercising, all powers and discretions conferred on him by this Deed or by law, unless he has a personal interest in the mode or result of any such exercise, in which event he shall allow the remaining Trustees (if any) to act alone in relation to such exercise.

### **E8 Duration of powers**

Every power, authority or discretion conferred on the Trustees, or on any other person, by this Deed shall (notwithstanding anything to the contrary expressed or implied in this Deed) only be exercisable during such period (whether definite or indefinite) as in the case of the particular power, authority or discretion the law may allow.

### **E9 Trustees' powers, authorities and discretions exercisable without liability**

Every power, authority or discretion conferred on the Trustees by this Deed, or by law shall be an absolute and uncontrolled power, authority or discretion, and no Trustee shall be liable for any loss or damage occurring as a result of his agreement, or refusal or failure to agree, to any exercise of such power, authority or discretion.

**F. DEFINITIONS**

**F1 The Settlor**

The Settlor is the person who is creating the trust. As the plan owner you will be the Settlor. You should put your full name and address.

**Settlor**

Full name

Residential address

Country of birth

Country of residence for tax purposes

Tax reference number (ie TIN/NI)

Are you a US Specified Person?  Yes  No

**F2 Additional Trustees**

Complete the full names of the Additional Trustees. You must appoint at least one Additional Trustee.

**Additional Trustee 1**

Full name

Residential address

Date of birth (dd/mm/yyyy)

Country of birth

Country of residence for tax purposes

Tax reference number (ie TIN/NI)

Are you a US Specified Person?  Yes  No

**Additional Trustee 2**

Full name

Residential address

Date of birth (dd/mm/yyyy)

Country of birth

Country of residence for tax purposes

Tax reference number (ie TIN/NI)

Are you a US Specified Person?  Yes  No

**Additional Trustee 3**

Full name

Residential address

Date of birth (dd/mm/yyyy)

Country of birth

Country of residence for tax purposes

Tax reference number (ie TIN/NI)

Are you a US Specified Person?  Yes  No

**Additional Trustee 4**

Full name

Residential address

Date of birth (dd/mm/yyyy)

Country of birth

Country of residence for tax purposes

Tax reference number (ie TIN/NI)

Are you a US Specified Person?  Yes  No

**F3 The Trustees**

The Trustees means the Settlor and the Additional Trustees for the time being acting under this Trust Deed and any other person or persons who may be appointed or assumed as a Trustee or Trustees of this Trust Deed.

**F. DEFINITIONS CONTINUED**

**F4 The Plan**

The Plan means the Plan numbered below effected by the Settlor with the Company. Please insert the number of the plan that is to be subject to this trust.

**F5 The Company**

The Company means RL360 Insurance Company Limited.

**F6 The Trust Fund**

The Trust Fund means:

- i) the Plan;
- ii) all money, investments or other property paid or transferred by any person to or so as to be under the control of and, in either case, accepted by the Trustees as additions;
- iii) all accumulations (if any) of income added to the Trust Fund; and
- iv) the money, investments and property from time to time representing the above.

**F7 The Trust Period**

The Trust Period means the period of 150 years from the date of this Deed, which shall also be the perpetuity period.

**F8 Children, grandchildren and issue of any person**

Reference to the children, grandchildren and issue of any person shall include his children, grandchildren and remoter issue, whether legitimate, legitimated, illegitimate or adopted.

**F9 The Retained Benefits**

These are the benefits of the Plan that you wish to keep for yourself.

The Retained Benefits shall mean the following benefits included in the Plan:

Children's Critical Illness Cover

**F10 The Gifted Benefits**

These are the benefits of the Plan that you wish to give away.

The Gifted Benefits shall mean any one of the following benefits included in the Plan:

- i Life Cover;
- ii Critical Illness Cover; and
- iii Terminal Illness Benefit

**F11 The Discretionary Beneficiaries**

This is the list of beneficiaries the Trustees may appoint all, or any part of, the Gifted Benefits to, using the powers in Clause B2.

You can add to this list at any time by giving the Trustees the full names of any beneficiaries you think should benefit from the Trust Fund or by writing the full names of the beneficiaries at v and vi in the boxes below. For example, if you have a partner that you are not legally married to or have not entered into a civil partnership with, your Trustees may only appoint benefits to them if you name them in this section of the form or add them at a later date by writing to the Trustees.

This Discretionary Beneficiaries shall mean:

- i) the children and remoter issue of the Settlor (whenever born) including children and remoter issue by adoption;
- ii) any spouse or civil partner or former spouse or civil partner of anyone within i above;
- iii) any person at any time who is the spouse or civil partner of the Settlor or the widow or widower or surviving civil partner of the Settlor;
- iv) any person nominated in writing to the Trustees by the Settlor provided that the Settlor may not be the subject of such nomination;

v)  ; and

vi) .

**F. DEFINITIONS CONTINUED**

**F12 Words and expressions defined in the Plan**

Words and expressions defined in the Plan shall, unless the context otherwise requires, have the same meanings in this Trust Deed as are specified in the Plan.

**F13 Gender**

Unless the context otherwise requires the masculine gender shall include the feminine and the neuter and vice versa, and the singular shall include the plural.

**F14 Clause headings**

The clause headings are included for reference only and shall not affect the interpretation of this Deed.

**G. DATA PROTECTION**

This form collects your personal data. We require your personal data so we can provide you with services relating to the performance of your contract. You may ask us to stop processing your data, however this may disrupt the services RL360 can provide to you or may stop us being able to assist you. To find out how long we will keep your data, please refer to our privacy policy at [www.rl360.com/privacy](http://www.rl360.com/privacy). Any data you provide to RL360 may be shared, if allowed by law, with other companies both inside and outside of RL360 and to persons who act on your behalf. Data and information about you can be transferred outside of the Isle of Man and RL360 may be required to provide it to its regulator, its government or anyone else required by law.

RL360 will use your data and information to allow for the administration of your plan, prevent crime, prosecute criminals and for market research and statistics. RL360 will, at all times, make sure that your data and information is only used in ways that are allowed by law.

You can receive a copy of the information RL360 holds about you free of charge by writing to our Data Protection Officer at: RL360, International House, Cooil Road, Douglas, Isle of Man, IM2 2SP, British Isles, or by emailing [dpo@rl360.com](mailto:dpo@rl360.com). We can reserve the right to not send you your personal data in some circumstances - if we do we will write to you setting out the reasons why.

Our full privacy and cookie policies can be viewed at [www.rl360.com/privacy](http://www.rl360.com/privacy) or can be obtained by requesting a copy from our Data Protection Officer.

**H. SIGNATURES**

IN WITNESS WHEREOF this Trust is signed as a deed and delivered.

**Settlor 1**

Full name

Signature

**Witness**

Full name

Residential address

Signature

**H. SIGNATURES CONTINUED**

**Trustee signatures**

Each Trustee should sign here to show they have agreed to take on the role of trustee.

	<b>Additional Trustee 1</b>	<b>Additional Trustee 2</b>
Full name	<input type="text"/>	<input type="text"/>
Signature	<input type="text"/>	<input type="text"/>
	<b>Additional Trustee 3</b>	<b>Additional Trustee 4</b>
Full name	<input type="text"/>	<input type="text"/>
Signature	<input type="text"/>	<input type="text"/>