

# why choose royal skandia on the Isle of Man?

At Skandia we want to help people prosper. Whether you wish to make a lump sum investment or are looking to save regularly, our products ensure that your investment benefits from greater growth opportunities through using the tax-efficient location of the Isle of Man.

## tax efficiency

As Royal Skandia is located in the tax-efficient international finance centre of the Isle of Man, your investment will grow virtually tax free.

Royal Skandia is not liable to income tax, capital gains tax or corporation tax on its policyholders' funds. Some dividends may be received net of withholding tax, deducted at source in the country of origin, but once inside your Royal Skandia investment they can accumulate free of tax. Thanks to this, your investment will grow more efficiently.

Your personal tax consequences will depend on many factors. You may have a personal tax liability in respect of the proceeds of your investment. This will largely depend on your country of residence. It is therefore important that you seek professional advice before proceeding with any investments.

## regulatory stability

The Isle of Man is an established international finance centre with a stable and independent legal, political and regulatory framework. Life assurance is an important business sector of the Isle of Man. The level of life assurance business conducted in the Isle of Man is a considerable share of the international market.

All life assurance companies based on the Island are closely regulated by the Isle of Man Government Insurance and Pensions Authority, which controls this type of business and imposes detailed reporting requirements.

## an independent endorsement

In recognition of the Isle of Man's status as the leading offshore base, from 2001 to 2006 and in 2008, the Island was voted 'Best International Financial Services Centre' at the International Investment International Fund & Product Awards. In 2007 it achieved a 'Highly Commended' status in the same category.

Royal Skandia is a financially strong company that has operated from the Isle of Man since 1984. We have over 20 years' experience of providing MultiManager investment solutions to our clients together with first-class customer service. Royal Skandia has also been collecting prestigious awards for years from several financial publications.

The most recent ones are:

### International Investment International Fund & Product Awards 2008

Best International Life Product Range – Winner for the fifth consecutive year

Best International Sales Team – Winner

Best International Life Group – Highly Commended

Best International Life Product (Executive Investment Bond) – Highly Commended

### 2007

Best International Life Product Range – Winner

Best Commitment to Service – Winner

## policyholder protection

Policyholder protection schemes are regarded as a safety net for policyholders of a life assurance company and allow policyholders to claim for compensation in the unlikely event the company stops trading or becomes insolvent. The rules governing schemes and specific rights for each policyholder vary from one jurisdiction to another and in some jurisdictions there is no scheme at all.

On the Isle of Man there is a statutory protection scheme which covers Royal Skandia policyholders. This compensation scheme is a result of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 which protects all investors whose policies are effected on or after 1 February 1991.

- Investors in policies issued by Isle of Man authorised life assurance companies are protected worldwide.
- In the unlikely event that a company is unable to meet its liabilities, the policyholder will be protected by this compensation scheme.
- The compensation scheme offers investors up to 90% of the policy benefits less any applicable charges.
- There is no upper monetary limit.

It should be noted that this protection only applies if Royal Skandia is unable to meet its liabilities.

The value of Royal Skandia's products are linked to the value of investments generally managed by fund managers other than Royal Skandia. If the provider of such investments 'fails' or is unable to meet its obligations this particular compensation scheme will not cover such losses.

The Isle of Man provides investors with a free independent dispute resolution service - the Financial Services Ombudsman. Any individual client of Royal Skandia or other Isle of Man based bank, insurance company or financial adviser can take complaint cases to the Financial Services Ombudsman regardless of where they are resident.

This scheme aims to put investors in the position they would have been in if they had not lost money through maladministration or negligence of such organisations. It should be noted that the Ombudsman will not consider complaints about investment performance.

## protection of royal skandia's assets

Assets linked to Royal Skandia policies are segregated from Royal Skandia's business assets in order to comply with the Isle of Man Insurance Act 1986 ('the Act'). The Act sets out how Manx life assurance companies must hold assets linked to the policies it issues. Section 15 of the Act requires every authorised insurance company to set up a special fund to hold assets linked to policies issued. This is known as a 'long-term business fund' (LTBF) in the Act. The assets held in the LTBF should generally be applied for the purposes of meeting liabilities of the policies issued by Royal Skandia.

The Act does allow an insurer to apply assets in the LTBF for other purposes other than meeting policyholder liabilities but only if the assets exceed the liabilities. Even in these circumstances such a transfer can only be made following a resolution of Royal Skandia's directors and the written consent of the appointed actuary. The appointed actuary has a statutory duty to protect the interests of the policyholders generally.

As Royal Skandia currently writes unit-linked business, there is always a close link between the value of the company's assets and the liabilities to its policyholders.

With Royal Skandia you can be confident that we have your best interests in mind. We are committed to providing our customers with improved financial security throughout their lives by delivering superior financial solutions.

## our commitment

At Royal Skandia we want to ensure that the business we accept has been sold in an open and honest fashion. We strive for a strong risk control culture that runs across our whole operational structure, and the risks involved in each and every transaction are carefully assessed and managed, applying all relevant Isle of Man regulations. We also follow the developments in international standards, best business practice and good corporate governance, such as the work undertaken by the Financial Action Task Force and the International Association of Insurance Supervisors.

As a part of our commitment to first-class service and security we have carefully selected some of the best fund managers in the world to manage your assets, and our products can only be bought through professional advisers. Our appointed custodian, who is responsible for the processing and settling of all transactions, is the Bank of New York. We use only the very best of third party providers and concentrate on what we know best; providing you with products, security, customer service and the most comprehensive fund range in the market.

As an established organisation and one of the leading companies in its field, Royal Skandia is an active member of the Association of International Life Offices (AILO), which aims to encourage common standards of practice amongst its members, ensuring that your interests always come first.

For further information and full details of Royal Skandia's range of products, please contact your financial adviser.

## about Skandia

Royal Skandia is a company within Skandia International, a division of the Skandia Group, itself owned by Old Mutual plc. Old Mutual is an international savings and wealth management company based in the UK. Originating in South Africa in 1845, the group has a balanced portfolio of businesses offering asset management, life assurance, banking and general insurance services in over 40 countries, primarily in South Africa, Europe and the United States. Old Mutual is listed on the London, Johannesburg and Stockholm Stock Exchanges amongst others.

Being a part of Old Mutual makes Skandia International a key division of the seventh largest life insurer in Europe\*, with a strong financial base. The combined group has funds under management of £261 billion\*\*. The group has nearly 53,000 employees.

\* As at 31 December 2006. Source: Bloomberg.

\*\* As at 31 March 2008. Source: Old Mutual.

Royal Skandia  
 Head Office  
 PO Box 159  
 Skandia House  
 King Edward Road  
 Onchan  
 Isle of Man  
 IM99 1NU

T +44 (0) 1624 655 555  
 F +44 (0) 1624 611 715  
[www.royalskandia.com](http://www.royalskandia.com)

Skandia International is the divisional name for the international companies within the Skandia UK Group.

Not for use in Hong Kong.

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Royal Skandia Life Assurance Limited is registered in the Isle of Man under number 24916. Registered and Head Office: Skandia House, King Edward Road, Onchan, Isle of Man, IM99 1NU, British Isles. Phone: +44 (0)1624 655 555 Fax: +44 (0)1624 611 715.

Authorised by the Isle of Man Government Insurance & Pensions Authority. Authorised and regulated by the Financial Services Authority for business conducted in the UK. Some of the FSA's rules do not apply to non-UK based insurers. FSA Register number 142309. [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register).

**Out of our concern for the environment this item of Skandia literature is printed on recycled paper. We only use two types of paper: '9 Lives 80', which is made up of 80% recovered fibre and 20% fibre sourced from sustainable forests or '9 Lives Offset', which is manufactured from 100% recycled fibre and is totally chlorine-free.**