

FLEXI PLAN

This Key Features Document contains a summary of the main features of your Plan. Please read it carefully so that you understand what you are buying and the risks involved.

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MAPFRE MSV Life p.l.c. is authorised by the Malta Financial Services Authority to carry on long term business under the Insurance Business Act, 1998. COM 090315 DOC 8010 61 04

Plan Description

- A with-profits regular premium savings plan.
- From each regular premium that you pay, we will deduct the policy charges and the charges to pay for the benefits you select. The balance will be credited to your Policy Account.
- The Plan participates in our distribution of profits. With-profits investment smoothes the return on your money by spreading the profits over good and bad years.
- You can choose the amount of life cover required to provide protection for your dependents or to provide cover against a loan.

It's Aims

- To provide you with a medium to long-term tax-efficient investment and a tax-free cash sum at the end of the selected term of the Plan.
- To pay a Death Benefit to you, your estate or a designated beneficiary upon the death of the Person Covered.

Your Commitment

- To pay premiums regularly for the selected term of the Plan.
- You determine the duration of the Plan when you start the Plan subject to a minimum of 6 years.

Risk Factors

- What you might get back will depend on our investment performance and is not guaranteed. It will be less than illustrated if the performance of the investment is lower than illustrated.
- If you cash in your Plan early you may receive less than the Policy Account. This will happen either as a result of surrender charges or if we are forced to apply a Market Value Reduction (MVR). An MVR may be applied if the value of our investments falls suddenly.
- Your circumstances may change and force you to cash in your Plan early. If you cancel your Plan in the first 3 years you will get nothing back as the majority of the charges for setting up the Plan are incurred in this time. If you cash in your Plan in the early years (after the 3rd year) you may not get back as much as you invested due to the effect of charges.
- The returns you get on with-profits investments depend on a number of factors including
 - The return on investments in our underlying with profits fund
 - The way we distribute any profits on the fund
 - Factors beyond our control, such as tax and the effect of inflation
 - Profits and / or losses from non-participating plans (other than unit-linked plans) which are also part of the with-profits fund
 - The cost of meeting any guarantees that we provide.
- The rate of future bonuses cannot be guaranteed and may also change over the years
- Inflation will reduce the real future value of any cash sum.

Key Features

Minimum Premiums

€40 paid monthly (or proportionate multiples thereof if premium paid quarterly, half-yearly or annually e.g. €120 if paid quarterly).

Top Up Premium (optional)

Option to make additional lump sum Top-ups (Subject to a minimum of €250). No Top-ups can be made in the final year of the Plan.

Basis of Life Cover

Single Life OR Joint Life First Death

Beneficiary

You can appoint one or more beneficiaries to receive the benefit under the Plan, when this is due. There is no charge for this arrangement to be implemented and it requires only the completion of a simple form. The appointment of a beneficiary (and acceptance thereof) under a life insurance contract does not need to be confirmed in a will and it also supersedes the provisions of a will if there is any conflict between the two.

Minimum Term

6 years

Age limits of Person Covered

- when the Plan starts
Minimum of 18 years, Maximum of 69 years.
- when the Plan finishes
Maximum of 75 years.

Policy Owner

The Policy Owner can be any natural person aged at least 18 years old or any corporate entity.

Plan Benefits**Death Benefit**

Payment of 101% of the Policy Account plus the additional life cover amount if selected when the Person Covered dies.

Terminal Illness Benefit

Payment of up to 50% of the Policy Account as a pre-payment of the Death Benefit if the Person Covered is diagnosed to be terminally ill.

Funeral Expenses Benefit

Payment of the cost of funeral expenses (subject to a maximum of €2,500) in the form of a partial pre-payment of the Death Benefit.

Cash Surrender Benefit

Option to surrender the Plan in full before maturity. The surrender amount is calculated by applying the surrender charge (and MVR if applicable) to the Policy Account.

Policy Loan Benefit

Option to apply for a loan from us, up to 85% of the Cash Surrender Value of the Plan, using only the Plan as security.

Maturity Benefit

Payment of the Policy Account upon maturity of the Plan.

Optional Additional Benefits (against payment of an additional premium)**Additional Life Cover**

You can choose to add a level or reducing amount of Life Cover (the "term rider sum insured").

Accidental Death Benefit

Payment of an additional amount equal to the Term Rider Sum Insured if death occurs as a result of an accident. The annual cost of this Benefit is calculated at the rate of 0.10% of the Term Rider Sum Insured.

Injury Benefits

Payment of a percentage of the Level Term Rider Sum Insured in the event of accidental injury. The annual cost of this

Benefit is calculated at the rate of 0.2% of the Sum Insured.

Catastrophic Injury Benefit (Loss of both eyes OR loss of 2 or more limbs OR loss of 1 eye and 1 limb) - payment of 100% of the Sum Insured.

Severe Injury Benefit (Loss of 1 eye OR loss of 1 limb OR loss of hearing or speech) - payment of 50% of the Sum Insured.

Moderate Injury Benefit (Loss of thumb or index finger) - payment of 10% of the Sum Insured.

Any payment made under any of the Injury Benefits will be in the form of a pre-payment of the Sum Insured which is then reduced by the amount of the Injury Benefit paid.

Waiver of Premium Benefit

We will waive the premium due under the Plan if the Person Covered is totally disabled and unable to work. The waiver of premium will continue for as long as the disability continues subject to a waiting period of 6 months and payable up to a maximum age of 65 years. The annual cost of this Benefit is calculated at the rate of 3.75% of the premium payable under the Plan.

Permanent Total Disability Benefit

Payment of the Level Term Rider Sum Insured if the Person Covered becomes permanently and totally disabled and the disability lasts at least 24 months. The Term Rider will be terminated after this benefit has been paid. The annual cost of this Benefit is determined by your age at policy application stage and is subject to the following bands:

| Age: | Rate (% of the Term Rider Sum Insured) |
|-------|--|
| 18-39 | 0.15% |
| 40-49 | 0.30% |
| 50-59 | 0.60% |

Child Option

Any of your children have the option to purchase life cover, when they are between the ages of 18 and 25, with a maximum Sum Insured of €25,000, without any medical evidence. This option is subject to the completion of an HIV declaration to our satisfaction at the time the option is exercised. The amount of premium due will be calculated at the normal rate of premium applicable to the age of the child when exercising this option.

Plan Charges

Policy Fee

€2.50 if premium paid monthly (or proportionate multiples thereof if premium paid quarterly, half-yearly or annually e.g. €7.50 if premium paid quarterly).

Top Up Allocation Charges

A percentage deduction from the Top Up premium paid will be made in accordance with the following allocation bands:

| Allocation Band | Allocation Charge | Premium Paid |
|-----------------|-------------------|-------------------------------|
| 1 | 3.0% | Up to €69,999 |
| 2 | 2.0% | Between €70,000 and €114,999 |
| 3 | 1.5% | Between €115,000 and €229,999 |
| 4 | 1.0% | Over €230,000 |

Death Benefit Charge

A charge to pay for the Term Rider Sum Insured that you select. No charge is made if you do not choose Additional Life Cover.

Surrender Charge

100% in the first 3 years of the Plan. In the remaining years of the Plan the charge is calculated at the rate of 1.5% multiplied by the number of years remaining till maturity of the Plan. For example, if the Plan is surrendered 10 years before maturity, the surrender charge is 15%.

The following surrender charges apply to any Top Up Premiums paid:

| | |
|---|---------------------|
| Surrender within 1 year of Top Up | 3.0% |
| Surrender after 1 year but before the end of 2 years | 2.0% |
| Surrender after 2 years but before the end of 3 years | 0% |
| Surrender after 3 years | No Surrender Charge |

Market Value Reduction

If you cash in your Plan before its maturity date, we retain the right to effect a MVR and increase the surrender charge.

MVR cannot be applied:

- upon maturity of the Plan
- in the event of the payment of the Death Benefit.

This reduction is designed to protect investors who remain invested and its application means that you get a fair share of the with-profits fund in which your savings are invested.

All charges are reviewable and may be changed after the Plan has started, subject to us providing you with at least 90 days notice if they are changed.

Questions and Answers

What might I get back?

The maturity value of the Plan depends on a number of factors such as

- the amount you invest
- any bonuses added to your Plan
- our charges.

Below are some examples of the projected Maturity Values depending on the assumed levels of bonus for a premium of €100 monthly. No additional benefits have been chosen.

| Age at Entry | Assumed Regular Bonus Rates | | |
|--|-----------------------------|---|---|
| | 3% | 3.5% | 4% |
| Maturity Value of Plan after 20 years | | | |
| 35 | €31,947 | €35,398 | €39,151 |
| Maturity Value of Plan after 25 years | | | |
| 35 | €43,348 | €48,753 | €54,754 |
| Maturity Value of Plan after 30 years | | | |
| 35 | €56,564 | €64,615 | €73,737 |
| | | Illustrated Maturity Values include a Final Bonus calculated at 0.5% of the policy account for every year in excess of 10 years | Illustrated Maturity Values include a Final Bonus calculated at 1.0% of the policy account for every year in excess of 10 years |

When will my Plan start?

- Using the information you provide us with, we will underwrite your application. This means that we will make an assessment as to whether we can accept your application and if so on what terms and conditions. Depending on your personal circumstances, we may need to contact you, or your doctor for further information, or arrange for you to attend a medical examination or tests. If this is required it may take some time and could delay the start of your Plan.
- When we have completed our assessment we will write to you. If we can accept your application at the standard premium & terms that we quoted, we will start the Plan immediately and send you the policy. If not, we may ask you to pay an increased premium, notify you of different terms that we may be prepared to offer, postpone our decision to a later date or decline your application.
- We undertake to conclude our assessment and send you the policy or communicate our decision to you within 5 business days from the day that we receive the last information or document that we may need.

Can I change the premium that I pay?

Yes. You have a number of options.

- Increase the regular premium that you pay at any time.
- Decrease the regular premium that you pay at any time (subject to a minimum premium that will be sufficient to pay for the Benefits that you select).
- Elect to increase your regular premium automatically each year by a rate that is equal to the Inflation Rate as published by the National Statistics Office of Malta (subject to a minimum rate of 3.5% per annum).

What if I stop paying?

- If you do not make a payment on time (or within the 30 days of grace that we allow), the additional life cover under the Plan will end automatically. We would normally however allow you some additional time to make any outstanding payments and restore your policy.
- If the cash surrender value is higher than the premium due, your Plan will be kept in force by the operation of an Automatic Premium Loan which means that the premium due will be paid by means of a loan from the cash surrender value of the Plan. The primary purpose is to prevent unintentional lapse of the Plan.

How long will my money be tied down for?

- The duration of the Plan is entirely at your discretion, subject only to a minimum of 6 years.
- We suggest that you choose the duration to fit your investment time horizon so that your Plan matures when you anticipate that you will need the money.

Where and how is my money invested?

- After deducting the Plan charges, we invest your money in our with-profits fund.
- Our with-profits fund is invested in a range of investments including shares, bonds, property and short-term assets. The mix of these assets is determined by us with the objective of maximising the rate of return whilst preserving the real capital value of the investments.

What is my tax position under the Plan?

Under current legislation you are not liable to income tax whether you surrender the Plan or retain it to maturity, so however that tax at the rate of 15% is payable by the insurer on profits attributable to such plans on surrender or maturity, where the policy owner is resident in Malta. Payment of the Death Benefit under the Plan is not taxable. Please bear in mind that tax legislation may change in future.

How is the growth of my Plan determined?

- When you invest in our with-profits fund, you share in the potential profits of MAPFRE MSV Life in the form of Bonuses.
- The value of your Plan grows through the addition of Regular Bonuses. A Regular Bonus is calculated as a percentage of the Policy Account and is added to the Policy Account on a daily basis. We guarantee that when a
- Regular Bonus is added to your Plan it is "locked" and cannot be taken away if you hold the Plan until it matures.
- In addition, we may also add a Final Bonus upon payment of the Maturity Benefit or the Death Benefit.
- The bonuses will depend on factors such as investment performance, charges and other profits or losses made by our with-profits fund.
- The main aim in determining bonuses is to smooth out the ups and downs of the stock market. The process of smoothing leads to returns that are steadier than if they fully reflected the underlying value of the assets of the with-profits fund.
- We may apply a Market Value Reduction when you cash in your Plan which will reduce the amount payable. This can happen when there has been a large or lengthy fall in stock markets or when investment returns have been consistently lower than expected.

How will I know how my Plan is performing?

We will send you an annual valuation showing the value of your Plan.

Can I change my mind?

You can change your mind within 30 days from when you get your Policy Document. If you decide, for any reason, within this period that you don't want to proceed with the Plan, we will give you your money back. If you wish to exercise your right to cancel, you should complete and return the Statutory Notice that we send you.

Other Information

Terms & Conditions: This Key Features Document is intended to provide a brief overview of the Flexi Plan. The full terms and conditions are explained in more detail in the policy document, a copy of which is available from our offices.

Effective Date: The features outlined in this Key Features Document are applicable to any Flexi Plan that starts on or after 16th March 2015.

Compensation: In the unfortunate event of insolvency of any company licensed to carry on Insurance Business in Malta you may be entitled to limited compensation under the Protection and Compensation Fund.

Glossary / Definition of Terms

Bonuses are the way we allocate to you your share of the profits of the with-profits fund. There are two types

- REGULAR, which are normally added every year
- FINAL, which may be paid when your Plan matures, provided it has been in force for least 10 years, or when we pay the Death Benefit under the Plan.

Person Covered means the person or persons, specified in the policy, whose death will result in the Death Benefit under the Plan becoming payable. The Person Covered can only be a natural person and cannot be a company.

Plan means the life insurance contract described in this Key Features Document.

Policy Account means all the Premiums paid (net of charges) and any subsequent Bonuses added.

Regular Premium means the premium that you have agreed to pay (when the policy starts) at regular intervals over the lifetime of the Plan.

We, us or MAPFRE MSV Life mean MSV Life p.l.c.

You / Policy Owner means the person who has all the rights (e.g. to receive the Plan Benefits) and obligations (e.g. to pay the premium) under the Plan. The Policy Owner can be either a natural person or a company.