



SCOTTISH WIDOWS ENHANCED ANNUITY

GUIDE FOR INTERMEDIARIES

This information is for UK financial adviser use only
and should not be distributed to or relied upon by any other person.



ENHANCED ANNUITY

ENHANCED ANNUITIES NOW ACCOUNT FOR 27%* OF THE TOTAL ANNUITY MARKET CREATING AN OPPORTUNITY FOR YOU TO HELP YOUR CLIENTS RECEIVE A HIGHER INCOME GUARANTEED FOR LIFE.

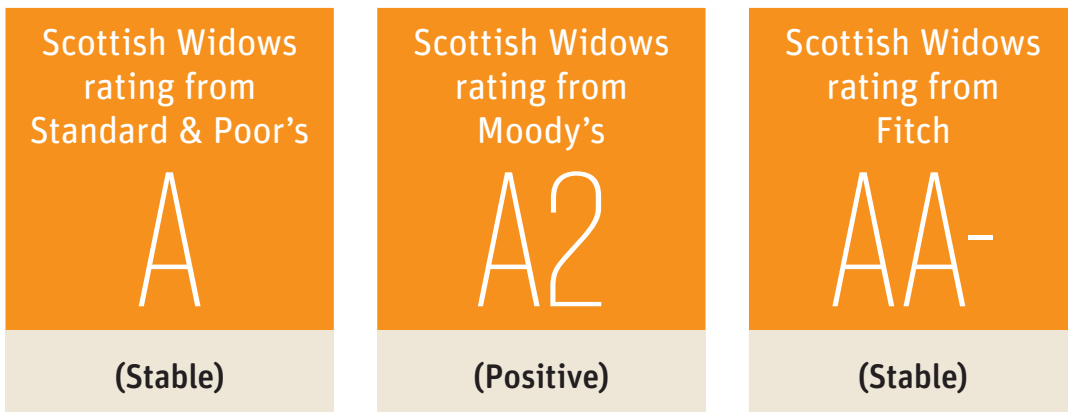
STRONG BRAND

Scottish Widows has been helping people plan their financial future for over 200 years. And our values are the same today as they've always been - to deliver good outcomes for all of our customers by putting their needs at the core of everything we do.

STRONG FINANCIALS

We're part of the Lloyds Banking Group, one of the top 100 companies listed on the London Stock Exchange.

Our financial strength ratings at the date of this publication are:



Sources:
Moody's, Fitch, and Standard & Poor's rating correct as at October 2017.
*H1 2017 ABI Market data

ENHANCED ANNUITY: ONLINE CAPABILITY

Our automated quotes process means:

- Full CQRF online, enabling Scottish Widows to provide our guaranteed best priced quotes first time
- Automatic underwriting decisions on all quote requests that meet our criteria
- Consistency of underwriting assessment and outcomes
- Quotes will be guaranteed for 30 days from the date the quote is produced. The application form and purchase price must be received within the 30 days for the terms in the quote to apply.

INFORMATION WE NEED

To help us provide your client with a quote(s) tailored to their personal circumstances, we will need the following details for both your client and their dependant:

- Full name(s)
- Contact details (e.g. address, phone number)
- Date(s) of Birth
- National Insurance number(s)
- Height, weight and waist measurements
- Exact diagnosis of medical condition
- Date(s) of diagnosis
- Name(s) of consultant(s), cardiologist(s) and doctor(s)
- Name(s) of hospital(s)
- Date of any medical procedures
- Name(s) of medication and dosage
- Type(s) of treatment
- Readings from any test results

We will also need some information about the pension(s) being used to purchase the annuity – this should be covered in the documents they have received from their pension provider(s). (e.g. policy documents, annual statements or pension maturity packs). It will help speed up the process if they have this information to hand when speaking to us about an enhanced annuity.

If there is any information they are not sure about they should speak to their existing provider(s).

The type of information we need to know:

- **The type of pension** – (e.g. is it a Stakeholder Pension, Personal Pension, Retirement Annuity Contract, Executive Pension Plan, Section 32 etc)
- **The pension provider(s) and the existing policy number(s)**
- **The value of the pension(s)** – some types of investment funds may apply a reduction if your client takes the pension early so it's worth checking with their pension provider to see if this is the case.

This list is not exhaustive but it represents the key pieces of information we need to know about your client and any existing pension plan(s) to be able to complete the quote process.

ADMINISTRATION SUPPORT

We have dedicated teams to help you set up and deal with all aspects of the Enhanced Annuity product (see 'ADMINISTRATION SUPPORT CONTACTS').

NEW BUSINESS SET UP

On receipt of the completed application form, the administration team will:

- Validate the information in the form to enable us to set up the annuity on the correct basis
- Contact the ceding provider to obtain the purchase price (via ORIGO or by post)
- Check to see if the purchase price is received after the end of the guarantee period and/or the purchase price has changed significantly since the quote was issued (for example, varies up or down by 10% or more).

On completion of the checks, the administration team will:

- Inform you where any of the above checks are not met and the annuity rate has decreased
- Arrange payment of any tax free cash (transfers only)
- Set up annuity income payments
- Organise payment of any adviser charge or commission
- Issue policy documentation, including the Policy Schedule, to the customer. If requested, copies can be issued to you.

ADMINISTRATION SUPPORT CONTACTS

Our Client Service Enhanced Annuity team can be contacted on 0345 845 0099 or by email at EnhancedAnnuities@scottishwidows.co.uk

MEDICAL SAMPLING

Scottish Widows may ask the customer's doctor (and the dependant's if applicable) for information to verify the answers to the medical and lifestyle questions in the application. If we've been unable to verify the answers given within 6 months of the start of the annuity, we may re-write the annuity and the income may reduce.

ENHANCED ANNUITY PRODUCT FEATURES

Contract Features	
Available to UK Residents	Yes
Available to existing SW pension customers	Yes
Annuitant	
Minimum Entry Age attained	55
Maximum Entry Age attained	75
Gender Neutral Rates	Yes
Spouse/Partner/Dependant benefit	
Minimum Age attained	50
Maximum Age attained	75
Named unmarried	Yes
Named married/civil partnership	Yes
Reduction on main annuitant's death	Yes
Percentage dependant benefit on death up to 100%	Any
Escalation Options	
Level	Yes
RPI	Yes
LPI	No
Increases at a fixed rate up to 8.5% (in 0.1% increments)	Yes

Payment Options	
Monthly in advance	Yes
Monthly in arrears	Yes
Quarterly in advance	Yes
Quarterly in arrears	Yes
Half yearly in advance	Yes
Half yearly in arrears	Yes
Annually in advance	Yes
Annually in arrears	Yes
With proportion	No
Without proportion	Yes
Guaranteed Period	
5 years	Yes
10 years	Yes
With overlap	Yes
Without overlap	Yes
Purchase Price (Minimum & Maximum)	
Transfer Value (before payment of any tax-free cash)	£5,000 – £666,666.67
OMO	£3,750 – £499,999.99
Enhancement Types	
Lifestyle ie. Smoking, BMI or Combination of Cardiovascular Risk factors.	Yes
Moderate Conditions	Yes
Serious and Combined conditions (providing can be automatically underwritten)	Yes
Cancer	Yes
Single Cardiovascular Risk factors only e.g. High Blood pressure or Raised Cholesterol	Yes

Services provided	
Online underwriting	Yes
Dedicated service team	Yes
Purchase price requested from ceding provider	Yes
Documents requested from ceding provider	Yes
Quotes available by email	No
Quotes available by fax	No
Quotes available by post	No
Quotes available online	Yes
Adviser Remuneration	
Adviser Charge fixed amount	Yes
Adviser charge percentage purchase price*	Yes
Commission percentage purchase price*	Yes

Notes

* The amount of any percentage adviser charge or commission will be based on the annuity purchase price, after any tax-free cash.

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 181655.

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