

External Tax Opinion on London & Colonial Assurance PCC Plc Flexible Annuities

Both London & Colonial Assurance PCC Plc's ('LCA') Flexible Life Annuity ('FLA') and Flexible Pension Annuity ('FPA') have been designed to be flexible allowing clients greater control over the amount and frequency of their annuity payments.

Before, launching both products LCA sought external advice. Due to legal privilege, we cannot publish this external advice however, we sought advice on:

- whether the flexibility precluded the FLA from being a purchased life annuity,
- whether the flexibility precluded the FPA from being a lifetime annuity,
- effective inheritance tax planning by purchasing a preference share in LCA, for a commercial price, alongside purchasing a FLA or a FPA,
- the applicable of UK tax legislation.

On the basis of this external advice LCA is satisfied that:

- ✓ Clients will benefit from the features offered by both the FLA and FPA as set out in the relevant documentation.
- ✓ Clients will benefit from the tax benefits associated with also purchasing a preference share in LCA as set out in the relevant documentation.

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