



Preference Share Essential Facts

London & Colonial Assurance PCC Plc ('LCA'), an unlisted trading company, is divided into individually recognised cells ('Cells'). Each Cell can have at least one Preference Share attached to the Cell. But why buy a Preference Share and what are the benefits to you?



Protected Cell Company Structure

- LCA creates individual Cells
- Each Cell has at least one Preference Share ('Share') attached to it
- When a customer buys a product from LCA, an individual Cell is linked to the product
- At the same time, the customer can buy a Share that is attached to their individual Cell



Buying a Share

- Separate cash transaction
- Cost depends on initial premium of the product
- On requesting an illustration for a product, LCA also quote for the cost of buying a Share
- For an initial premium up to £1,000,000 the cost of buying a Share will be between £350 and £1,500



On death

- Ownership of the Share passes to the customer's ('deceased's') executors
- The value of the Share needs to be included in the deceased's estate
- The value of the Share is the value of the investments sitting in the Cell

Risk Warning

Please note that past performance is not a guide for the future. The value of investments can fall as well as rise.

Please note that tax rules may change in the future

Inheritance Tax Protection



- LCA is an unlisted trading company
- Business Relief is available on Shares in unlisted trading companies
- Deceased must own the Share on death
- Deceased must have owned the Share for at least two years
- Currently (and up to 05 April 2026): the proceeds from the Preference Share are tax-free after two years of owning the LCA Preference Share. This is because the Preference Share qualifies for 100% Business Relief as LCA is an unlisted trading company.
- From 06 April 2026, the proceeds of the Preference Share, up to £1m, are 100% exempt from Inheritance Tax ('IHT'). Any proceeds that exceed the £1m allowance will benefit from 50% Business Relief and IHT will be payable on the excess

Business Relief



- Established relief from Inheritance Tax
- Introduced by UK government in 1976
- Executors claim when customer passes away
- Allows whole value of the investments sitting in the Cell to pass to the deceased's loved ones

Next Steps

For more information on London & Colonial Assurance PCC Plc's products or services, please speak to your financial adviser.



**LONDON &
COLONIAL**

A Global Pension Corporation Company

Gibraltar Company Registration Number: 80650

London & Colonial Assurance PCC Plc is a Gibraltar registered company, and is incorporated under the Gibraltar Insurance Companies Act as a Protected Cell Company. London & Colonial Assurance PCC Plc is regulated by The Gibraltar Financial Services Commission - Permission Number: 5191. Registered Office: 3rd Floor, 55 Line Wall Road Gibraltar, GX11 1AA

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