For Adviser Use Only

Later Life Account

Fair Value Assessment

Assessment Date – July 2025

London & Colonial

This information is only intended for professional advisers and intermediaries such as financial and investment advisers. It is not intended for customers' use.

The information provided is designed to help you understand the value that the Later Life Account, issued by London & Colonial Assurance PCC Plc ('LCA'), provides your customers in line with the Financial Conduct Authority's ('FCA') Consumer Duty Policy Statement PS22/9 and Finalised Guidance FG22/5.

Overview

Our Product Governance Committee scrutinise the suitability of products and ensures they continue to offer fair value to customers.

We aim to develop products that deliver good outcomes for customers in our identified target markets. Our product development process is designed to ensure we act in good faith, avoid causing foreseeable harm to customers, and enable & support customers to pursue their financial objectives.

Later Life Account Fair Value Assessment Summary

Our assessment confirms:

- The Later Life Account meets the needs of our target markets.
- The Later Life Account provides fair value to our target markets when considering features, services, pricing, and distribution.
- The distribution channel, through long-term care qualified advisers, is appropriate.

Our assessment is based on our understanding of the current legislation as at the assessment date. Tax regulations are subject to change and will depend on your customer's personal circumstances.

Product Description

The Later Life Account is a unit-linked purchased life annuity, written on a single life basis. It is designed to help our clients (the 'Annuitant') invest a sum of money, for growth, to pay for care costs in the future.

As this is a unit-linked annuity where the value of the investments can go up as well as down you need to ensure that the investment strategy chosen meets client's needs. As the product is designed to save for long-term care costs, and to help you in your future conversations with the Annuitant every three years, we will recalculate the level of annuity payments that could be purchased with the then value of the annuity using the Annuitant's new life expectancy.

Product features

- To allow clients to grow their investment over time with the potential for an increased annuity payment in the future.
- To give you or the investment adviser (including discretionary fund managers) the opportunity to invest in a wide range of permitted investments for your client.
- To provide flexible annuity payments at different amounts and frequency intervals based upon clients' needs.
- To allow clients to take one-off annuity payments.
- To allow your clients to invest additional amounts in the future via Top-Ups.
- To provide an estate planning solution, if purchased in conjunction with a LCA preference share, which results in any value left in the Later Life Account being available for your client's beneficiaries on their death.

Target Market

- UK tax residents aged 40 and over who have £50,000 or more to invest for growth, to generate an income, in the future, to pay for care costs.
- Customers aged 40 and over who wish to fund their potential future long-term care needs.
- Customers who potentially have pre-existing medical conditions or a family history of health-related illnesses and are looking for an investment which can be used to pay for the cost of receiving care in the future.
- Customers who may require one-off payments if, for example, they need to pay for the fitting of a chair lift in their own home in later life.
- Customers looking to self-fund their potential future long-term care needs who are not looking to access their investment in the short-term.
- Customers who wish to retain control of their investment during their lifetime (and on death, have the remaining value of the Later Life Account available to pass to their estate and other beneficiaries).

Not suitable for

- Non-UK tax residents, individuals aged 39 and under and/or individuals with less than £50,000 to invest.
- Customers not prepared to accept the risk of potential investment losses.
- Customers who already require care.
- Customers who require a guaranteed annuity payment.

Product Distribution

This product is designed to be distributed through UK-regulated financial advisers who hold an appropriate long-term care qualification. The unit-linked investments are to be managed by an appointed investment adviser, which may be you (the financial adviser), an investment manager or a discretionary fund manager.

All firms distributing the Later Life Account must have a current Terms of Business with LCA.

Products and services

- We have assessed the Later Life Account and services we offer to our target markets and are satisfied that it helps your customers to achieve their financial objectives while mitigating foreseeable harm.
- We have clearly defined our target markets and are satisfied that the Later Life Account is being distributed to the right customers.
- We are satisfied that customers are using the products and features in line with expected behaviour.
- Our target markets include customers who may exhibit characteristics of vulnerability initially or at a future date. For example, physical, mental health, and/or financial vulnerabilities. We continually improve our ability to support customers who require additional support.

Price and Value

- We have assessed the Later Life Account's charges and are satisfied that they are competitive.
- We regularly review our pricing approach to ensure it remains appropriate for our target market. Our pricing is reviewed yearly in line with our product governance.
- We have reviewed the flexibility and features of the Later Life Account and are satisfied that these are fair, reasonable and offer excellent value.
- We have priced the Later Life Account ensuring fair value for all the features offered. However, distributors will need to decide if their fee levels maintain fair value.

Customer Understanding

- We have assessed our range of communication channels (especially for customers exhibiting characteristics of vulnerability) and are satisfied that we cater for all target markets' needs. Overall, customers are receiving timely, accurate and accessible communications.
- To us, communication is key. That is why we regularly assess our customer and adviser understanding of our communications. Areas for improvement are considered and incorporated depending on the needs of the target markets.
- We strive to always learn; by developing customer service surveys intended to support the continuous improvement of our products and services.

Customer Support

- We strive to provide a consistent and high-quality service to our target markets and are satisfied that our support avoids causing foreseeable harm to our target markets.
- We are satisfied that these services are being delivered in line with our internal levels of service.
- We signpost customers to various external resources to help them with their wider financial objectives.
- We are continuing to improve our ability to identify customers who need additional support.
- We strive to always learn; by developing customer service surveys intended to support the continuous improvement of our products and services.

About us

London & Colonial Assurance PCC Plc ('LCA') was established in 2001 as a life insurance provider. LCA is a Gibraltar based life insurance company operating out of Gibraltar.

Gibraltar is a highly regulated jurisdiction, with significant depth and breadth of expertise in the financial services sector. Its strong regulatory framework has embedded stringent anti money laundering and compliance standards which underpin its ability to quickly adapt to new business trends. With its strong ties to the UK, Gibraltar is a trusted yet innovative jurisdiction.

Gibraltar observes high standards of supervision and financial regulation. The Gibraltar Financial Services Commission ('GFSC') is the regulatory authority for all financial services providers operating in and from Gibraltar. All financial services providers, both companies and individuals (including where the latter act as directors of client companies), are required to be licensed and subject to regular inspection by the GFSC.

Further Information

If you would like further details on our products or services, please contact us on the details below:

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LONDON & COLONIAL

Gibraltar Company Registration Number: 80650
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