

IMPORTANT INFORMATION

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A guide to trusts

Protecting your family

Introduction

Life assurance should be an important part of everyone's financial planning. Taking out life assurance is the first step towards providing security for your dependants when you die.

You'll want to make sure that the full benefits of your policy reach your dependants quickly. The emotional trauma of a death in the family could be made much worse by legal delays or by tax or debts having to be paid out of the money your beneficiaries would get.

Placing your life assurance in trust is one way of helping make sure that the full value of your life assurance policy is given to those you want it to go to, without unnecessary delays.

General information

What is a trust?

A trust is a way of giving away something of value (the asset) for the benefit of others (the beneficiaries) but without giving them full access to and control over the asset. The asset can include property, shares and money, as well as life assurance policies.

When placing the asset in trust you specify who you want to be a beneficiary and who you want to look after or control the trust asset (the trustees).

Setting up a trust with a Legal & General policy

The 'grantee' is the person who sets up the trust by placing the policy into the trust. The grantee can be more than one person, for example a couple can jointly create a trust for their children.

Why should I use a trust?

- When you die, the Probate Registry must give permission for the assets in your estate to be given to your beneficiaries. In England they normally do this by issuing a document called a 'grant of probate'. This takes time and if you die without making a will it takes even longer. However, trustees do not have to wait for the probate so your life assurance can be paid out much more quickly.
- When you die, if your estate is worth more than a certain amount, inheritance tax may be due. If you do not place your life assurance under trust, it will become part of your estate which could increase the chance of inheritance tax being due or increase the amount of tax payable. Placing your policy under trust may mean that the beneficiaries will not have to pay inheritance tax on the proceeds.
- By placing your policy under trust, you can ensure that the proceeds are used as you intend. So, for example, if you owed any money to creditors when you died, any benefit from a life assurance policy placed in trust would usually go to your beneficiaries – and not your creditors.
- If you and any partner of yours were to die leaving children under 18, the trustees could use the trust to support your children without giving them full access to the money. Once your children become adults they could, subject to the terms of the trust, have access to the money in the trust.

The types of trust discussed in this guide are:

- Legal & General's flexible trust – under which a beneficiary or beneficiaries are named but can be changed.
- Legal & General's split trust – under which critical illness benefits can be paid to the grantee and any death benefits held in trust for the beneficiary(ies) on terms similar to that of the flexible trust.

Can any policy be put in a trust?

Generally, any policy can be written in trust. However, some policies should not ordinarily be put in a trust. For example, life assurance that you arrange to cover your mortgage. This type of policy is not designed to provide money for your dependants but to repay the mortgage. Other examples are savings plans or endowments where you would want the benefit of the policy to be paid to you.

What if I change my mind?

Once a trust has been set up, it cannot usually be brought to an end before it has served its purpose. It is possible, if all the beneficiaries agree, to cancel a trust – but it is difficult. Although the trustees can change the beneficiaries later on, you should be sure that a trust is right for you before you set it up.

Do I need a solicitor?

If you want to, you can ask a solicitor to draw up a trust deed for you. We have already produced a flexible trust document that should be suitable for most life assurance policies and your financial adviser will normally guide you. If you feel you need more guidance, we recommend you get legal advice.

Trustees

What is a trustee?

A trustee is someone you appoint to look after the asset(s) you are putting in trust (for example, your Legal & General life assurance policy). The trustees are the legal owners of the trust assets. They must keep to the conditions of the trust, and act for the benefit of the people you choose as beneficiaries. Where the trust asset is a life assurance policy, in the event of your death, the trustees will need to make a claim for the proceeds and ensure that these proceeds are passed on to the beneficiaries under the trust.

Who can I appoint as a trustee?

You should appoint someone you believe will act in the best interests of the people you want to receive the benefit. You must also make sure that any person you want to be a trustee is willing to do so.

Generally, any individual over 18 and of sound mind can be a trustee. It does not matter whether or not they will benefit from the trust. It is normally sensible to choose people who live in the United Kingdom.

Companies such as banks, trust corporations and solicitors can act as trustees but they usually charge for their services. A trust corporation is a company specifically set up to provide trustee services.

Can I be a trustee?

Yes, and our trusts automatically make you a trustee.

Can I change the trustees later?

Under our trusts, you can change the trustees at any time. You can appoint new ones or remove existing ones. Under our trusts, you can remove trustees with or without their permission.

How many trustees should I choose?

You should aim to make sure that there will always be at least two trustees who can deal with the assets of the trust. For this reason, it is normally sensible to appoint at least two trustees as well as yourself.

What happens if a trustee dies?

If a trustee dies, the remaining trustees can still carry on but a replacement should be appointed. If the trustee was the last surviving trustee, their legal representatives will have the power to appoint new trustees or take over as trustees themselves.

What can the trustees do if I don't pay the policy premiums?

As legal owners of the policy, the trustees can arrange for the premiums to be paid but they are not obliged to make sure this happens or pay the premiums themselves. If no premiums are paid, the policy will eventually end without any value, and if the only asset of the trust is the life assurance policy, the trust would cease.

What happens if a trustee no longer wants to be a trustee?

A trustee can "retire" at any time. They will need to make all the other trustees aware of their decision and sign new documentation retiring them as a trustee and/or appointing a new trustee to take their place.

How do the trustees make a claim?

In the event of your death the trustees will need to send the following items to Legal & General's Life Claims Department:

1. Deed of assignment/trust form
2. The policy document
3. The death certificate

The address to send these items to is:

Legal & General Life Claims Department
City Park
The Droveway
Hove
BN3 7PY

Once the claim is accepted, the trustees will be offered a choice of payment. This could be by cheque or into a trustees' bank account.

If all correct documents are available then the claim could be paid in as little as 10 days.

What if the children are the only beneficiaries but are not yet 18 years old when the sum assured is paid out?

The trustees will have the discretion to use the funds to provide for their immediate benefit. Once a child reaches 18 they are then legally entitled to their share of the trust money.

Beneficiaries

Who is a beneficiary?

A beneficiary is someone you choose to benefit, or potentially benefit, from the assets in the trust.

Who can I choose as a beneficiary?

When you set up our flexible trust or our split trust, you can name the specific people who you currently want to benefit from the trust. You can enter their names in Section B in our split trust form and our flexible trust form. At the same time, if you want to, you can describe a group of people who could potentially benefit from the proceeds of the policy in the future. For example, you may say my wife and our children. It doesn't matter whether or not you have any children yet. You can describe this group in Section A in our split trust form and on our flexible trust forms.

Later on you can change your mind about the specific beneficiaries. You can ask the trustees to add new people or remove any of the people you originally chose. However, anybody the trustees appoint as a beneficiary must be named or belong to the group you describe in the "Potential Future Beneficiaries" box (Section A in our split trust form and our flexible trust form).

Can I be a beneficiary?

Yes, you can be a beneficiary. However, if you are, you will lose many of the inheritance tax benefits you get from putting a policy in trust and so the amount your beneficiaries would receive could be reduced. This is why we normally suggest you are not a beneficiary.

If you put a policy with critical illness cover as well as life assurance in a split trust, you can keep the life assurance under trust for your beneficiaries and you can receive the benefit for critical illness cover without losing the inheritance tax advantage.

What share of the proceeds does each beneficiary receive?

When you set up a flexible trust you can choose specific people who you want to benefit from the trust (the current beneficiaries). These are the people named in Section B on our flexible trust forms. If there is more than one beneficiary you can also indicate how much you want each person to receive. This is normally written as a percentage of the amount of the policy proceeds. If you don't specify how the proceeds should be split then the trustees will normally ensure that the policy proceeds are split equally. However if you also describe a group of potential beneficiaries on the trust form (in Section A), then the trustees have the power to decide whether any of the potential beneficiaries can benefit from the trust, and if so, what share of the proceeds they will receive. This can mean that the share of the proceeds allocated to the current beneficiaries will be affected. (Our standard forms specify that there have to be three trustees in total to make an appointment of benefit).

What rights do the beneficiaries have?

Beneficiaries can take legal action against the trustees if they act outside the terms of the trust or against the beneficiaries' best interests.

Tax

There may be a few rare instances when a tax charge could apply to protection life assurance policies placed in trust.

Will I have to pay tax on my premiums?

Under current law, premiums paid into a policy held in trust can be exempt from any tax charge under the 'normal expenditure out of income rules'. To claim the exemption, you must show that paying the premiums comes out of your income and does not reduce your standard of living.

In addition, you can gift up to £3,000 per year into a trust without incurring a tax charge (assuming you are not already using the annual exemption).

Will I have to pay tax on the proceeds of the policy?

When a policy is held in trust you have no entitlement to the sum assured and so your beneficiaries will not normally have to pay inheritance tax (IHT) on the proceeds of the policy. Only the premiums paid are gifts and these will usually be exempt – see above.

If you place or gift an existing policy under a flexible trust this will be a chargeable lifetime transfer, unless it is exempt as described above. If you die within seven years of placing the policy under trust (assuming the transfer is not exempt), inheritance tax may be due depending on the value of the policy. The value will normally be based on the premiums already paid or the value of the policy if it had been cashed in at the time – whichever is higher. An even higher value may be possible if the life assured is in serious ill health. If the value exceeds the current nil rate band available to the policyholder (taking account of chargeable transfers made in the immediately preceding seven years), then inheritance tax is payable on the excess amount over the nil rate band at half the death rate (currently 20%). The nil rate band for 2007/2008 is £300,000 rising to £312,000 for 2008/2009.

Note: from 9 October 2007, the Government changed IHT rules. This change allows a surviving spouse's or civil partner's nil rate band allowance to be increased by the proportion of any unused nil rate band allowance of the first to die. The maximum increase would be 100%.

What other inheritance tax charges could apply?

There are other charges that may very occasionally apply to a flexible trust. These would probably only occur if the trust assets had significant value and include:

Entry Charge

This is an immediate tax charge on the gift or asset placed in trust and is calculated on the value of the gift placed in trust. However, this charge would not normally apply to life assurance policies from outset, as the 'gift' is only the premiums paid into the policy and as explained previously, these will normally come under the £3,000 per annum limit or the normal expenditure rules, or would fall within the nil rate band – currently £300,000 (2007/2008) rising to £312,000 (2008/2009).

Periodic Charge

There is a possible charge made periodically (every 10 years) of up to 6% of the value of the assets over the nil rate band, less any chargeable transfers made by the grantee in the seven years preceding the establishment of the trust. Again, it is unlikely the policy will have a market value over the available nil rate band, unless for example there has been a death and the trustees are still holding the sum assured on a ten year anniversary, having not yet paid it to the beneficiaries or the life/lives assured are in serious ill health. Retaining policy proceeds inside the trust could happen if the trustees are holding the policy proceeds for the benefit of children later on in life or if the benefits are paid over a period of time – for example Family Income Benefit.

Exit Charge

A possible exit charge of up to 5.85% will be payable where capital leaves the trust. For example, where the trustees pay the policy proceeds to a beneficiary/ies after a claim. There will rarely be an exit charge before the first 10 year anniversary and only between anniversaries if there was a periodic charge at the last 10 year anniversary.

What is a Gift with Reservation?

If you make a gift but still get some use or benefit from it, HM Revenue and Customs will treat this as being part of your estate, and so your family may have to pay inheritance tax. For example, if you place a policy in trust and include yourself as a potential or actual beneficiary, any death benefit from such a policy will be treated as part of your estate for inheritance tax.

If you put a policy combining life assurance and critical illness cover into a split trust and do not include yourself as a potential beneficiary for the death benefit, you can still receive the critical illness benefit and such an arrangement is not treated as a gift with reservation for inheritance tax purposes.

Completing the trust forms for existing policies

The flexible trust

Trust forms are fairly straightforward to complete despite some of the legal terms and language used.

Below, we have shown an example for John Smith who, in the event of his death, would like the proceeds from the policy to be made to his wife and children. He also wants to be sure that he can add others to the trust in the future, for example, if he has any more children.

Non Statutory Flexible Trust for policies already in existence.

TRUST PROVISIONS

I/We declare that the policy specified above, and any future indexation options exercised thereunder (hereinafter called "the Policy" which expression wherever used in this Annex shall include the benefit of the aforementioned insurance contract(s) and any variation or amendment to the said contract(s) hereby authorised to be made) be henceforth held upon an irrevocable trust for the benefit of all or such one or more exclusively of the others or other of those named in **Section A** below in such shares and in such manner and for such limited or other interest as the Trustees (being at least three in number or a trust corporation) shall in their absolute discretion appoint by deed or deeds revocable or irrevocable and executed at any time or times not later than twenty four months after the date of death of the life assured (the date of death of the first/last) to die in the case of joint lives assured) and in default of appointment or so far as no such appointment shall extend for the benefit of those named in **Section B**.

† (= in equal shares) absolutely.

I/We desire to appoint those named in **Section C** below as Trustees* to receive the moneys payable under the Policy and they or the survivor of them or other of the Trustees for the time being are hereinafter called 'The Trustees'. The receipt of all the Trustees shall be a good discharge to the Legal & General for all moneys payable under the Policy.

The Trustees may at their discretion and subject to the trust aforesaid either retain the Policy or deal with the Policy in any manner that they may in their absolute discretion think fit including power (where the Policy so permits but without prejudice to the generality of the foregoing) to surrender the Policy or to convert the Policy in accordance with the options available under the Policy. Any new Policy or increase or decrease of benefits secured by the Policy or by any new Policy or Policies which is or are effected under any options which are contained in the Policy shall be subject to the same trusts as are herein declared.

Any moneys liable to be invested hereunder may be invested or laid out in the purchase of or at interest upon the security of such stocks funds shares securities investments or property of whatsoever nature and whosoever situate and whether involving liability or not and whether producing income or not (including the improvement repair insurance (in any value and against any risk) rebuilding and decorating of any property for the time being comprised in the property subject to the trust hereof or the execution of any other works on or for the benefit of any such property) and whether in the name of a nominee or not as the Trustees shall in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted power of investing and transposing investments as if they were absolutely entitled thereto beneficially.

The statutory powers of advancement contained in section 32 of the Trustee Act 1925 or if applicable section 33 of the Trustee Act (Northern Ireland) 1958 shall apply to the Trusts hereof with the following variation that is to say the omission in proviso (a) to sub-section (1) of the said section of the words "one-half of". Section 31 of the Trustee Act 1925 or if applicable section 32 of the Trustee Act (Northern Ireland) 1958 shall not apply to the trusts of the Policy.

All income which is received by the Trustees and which arises from the Policy or from any property from time to time representing the Policy shall be paid to or applied for the benefit of the beneficiaries entitled to an interest in possession under the trust as and when such income is received by the Trustees. Any Trustee for the time being (other than myself/ourselves) being a solicitor or other person engaged in any profession or business shall be entitled to charge and to be paid all usual professional or other charges for business done by him/her or by his/her firm in relation to the Policy or to the trusts thereof.

There shall be vested in me/ourselves or the survivor of us a power of removal of any Trustee and a power of appointment of a new Trustee and or additional Trustee(s).

I/We hereby declare that I/we intend to pay the premiums under the Policy for the sole benefit of the person(s) beneficially interested under the foregoing trusts and I/we hereby irrevocably disclaim any lien or charge on the said Policy or the moneys payable thereunder for the repayment of any such premium.

It is hereby certified that this instrument falls within Category N of the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

† Delete as appropriate
* The Trustees should be permanently resident in the United Kingdom.

DECLARATION OF TRUST

This Annex is deemed to form part of and to be incorporated in the existing **Section A** - The Beneficiaries e.g. my children

Section B - The Beneficiaries specific name(s) in full

Section C - The Trustees specific name(s) in full

Name of Grantee your name in full
Signature of Grantee

Name of Grantee your name in full
Signature of Grantee

For a joint policy the other grantee's details go here and are also witnessed

Policy number

These are the people John Smith wants to benefit at this point in time
He can also add what percentage of the benefit he would like each to receive

Name and address of the grantee
In this case John Smith

For Head Office use only

Policy No'd ABC 1234 56789

MY SPOUSE AND CHILDREN AND ANYONE (OTHER THAN MYSELF) THAT I NAME IN WRITING TO MY TRUSTEES

MY WIFE JANE SMITH (50%) AND MY CHILDREN ALICE SMITH (25%) AND ROBIN SMITH (25%)

DAVID GRANT SMITH
SHEILA GRACE MITCHELL

JOHN SMITH
JSmith

These are the potential beneficiaries to whom a right to the proceeds could be appointed, now or in the future
For example, any children he may have in the future

Names of the people chosen to act as trustees
At least two additional trustees should always be appointed.

Before signing the Trust, please read the provisions set out above. The Trustees should be permanently resident in the United Kingdom.

The second part of the form requires the grantees' and trustees' signatures.

DEED OF ASSIGNMENT/ASSIGNATION

This Assignment/Assignment is made on the 12 day of JANUARY 2008 (year)

Between (name of first Grantee) JOHN SMITH

Date of Birth 20/09/71

of (address) 13 GOODWILL STREET, READING, BERKSHIRE, RH11 4SR

and (name of second Grantee)

Date of Birth

of (address)

hereinafter called 'the Grantee(s)' of the one part and the Grantee(s)

and (name of first Additional Trustee) DAVID SMITH

Date of Birth 27/05/67

of (address) 112 PRIMROSE DRIVE, SUNNING, BERKSHIRE RH11 9BR

and (name of second Additional Trustee) SHEILA G MITCHELL

Date of Birth 05/11/75

of (address) 94 ORCHARD CLOSE, CARDIFF CF4 7RF

and (name of third Additional Trustee)

Date of Birth

of (address)

and (name of fourth Additional Trustee)

Date of Birth

of (address)

hereinafter called 'the Trustees' of the other part

Whereas the Grantee(s) is/are the Grantee(s) of the Policy(ies) of Assurance (hereinafter called 'the Policy(ies)') specified in the Schedule hereto and hold the Policy(ies) upon the trusts and with and subject to the powers and provisions therein set out

and whereas the Grantee(s) has/have appointed the Trustees as Trustees to receive the moneys payable under the Policy(ies) and is/are desirous of assigning the Policy(ies) to the Trustees

Now this deed witnesseth that the Grantee(s) as Trustee(s) hereby assign the Policy(ies) unto the Trustees to hold the same unto the Trustees upon the Trusts and with and subject to the powers and provisions upon which and subject to which the Grantee(s) hold the same and the Trustees hereby accept such trusts

It is hereby certified that this instrument falls within Category A of the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

In witness whereof the said parties to these presents have hereunto set their hands the day and year first above written

The Schedule herein before referred to

Office: Legal & General Assurance Society Limited Date 11/11/07 Policy No. ABC123465789

For a joint policy the other grantee's details go here and are also witnessed

Details of the people chosen to act as trustees
At least two additional trustees should always be appointed

Fill in the date you are completing the trust form here

Fill in the date the policy went live and the policy number

The third part of the form requires the grantees', trustees' and witnesses' signatures.

Grantee's name and surname should go here

This must be witnessed by someone whose signature and details go here

Each additional trustee must sign here, and be witnessed by someone whose details go here

SIGNED AND DELIVERED AS A DEED by the said Full name of First Grantee: JOHN SMITH Signature of First Grantee: JSmith Witness's signature and address: RHams 26 THE DRIVE, READING, BERKSHIRE RH14 6RE		SIGNED AND DELIVERED AS A DEED by the said Full name of Second Grantee: Signature of Second Grantee: Witness's signature and address: 	
SIGNED AND DELIVERED AS A DEED by the said Full name of first Additional Trustee: DAVID GRANT SMITH Signature of first Additional Trustee: DSmith Witness's signature and address: RHams 26 THE DRIVE, READING, BERKSHIRE RH14 6RE		SIGNED AND DELIVERED AS A DEED by the said Full name of second Additional Trustee: SHEILA GRACE MITCHELL Signature of second Additional Trustee: SMitchell Witness's signature and address: RHams 26 THE DRIVE, READING, BERKSHIRE RH14 6RE	
SIGNED AND DELIVERED AS A DEED by the said Full name of third Additional Trustee: Signature of third Additional Trustee: Witness's signature and address: 		SIGNED AND DELIVERED AS A DEED by the said Full name of fourth Additional Trustee: Signature of fourth Additional Trustee: Witness's signature and address: 	

Verification of identity

To protect you and Legal & General from financial crime, Legal & General may be required to verify the identity of Grantees and Trustees. This may be achieved by using reference agencies to search sources of information relating to them (an Identity Search). This will not affect their credit rating. If this fails, Legal & General may need to approach the Grantee(s) or Trustee(s) to obtain documentary evidence of identity.

Note

Please ensure:

- You initial any amendments or corrections you make on the trust form
- You complete the sections relevant to yourself and have someone witness your signature
- Your trustees complete their details and sign the form, again with a witness.

The split trust

A split trust is often used if your policy has two distinct benefits, for example your policy pays out in the event of your death, or if you suffer a critical illness and are eligible to claim.

In the event of death, the money would be paid to your chosen beneficiaries. However, were you to contract a critical or terminal illness, you may want the money to be paid to yourself, perhaps to help with treatment.

The following example for John Smith demonstrates how to complete the split trust form.

This section shows that in the event of critical, or terminal illness John Smith would receive the money himself

Policy number

These are any potential beneficiaries, now or in the future
For example, any children he may have in the future

These are the people John Smith wants to benefit at this point in time
He can also choose what percentage of the benefit he would like each to receive

The trustees full names go here

And John Smith prints his name and signs here

NON STATUTORY FLEXIBLE SPLIT TRUST - CIC (EXISTING POLICY)

TRUST PROVISIONS

I/We declare that the policy named above (hereinafter called 'the Policy' which expression wherever used in this Annex shall include any variation or amendment to the said contract the proceeds thereof and the property from time to time representing the same) is held upon an irrevocable trust as follows:

1. As regards any benefit payable on a claim arising from the contraction or diagnosis of a critical illness or terminal illness as defined in the policy on trust for myself/ourselves absolutely.

2. As regards any other benefit on trust for all or such one or more exclusively of the others or other of those named in Section A below in such shares and in such manner and for such limited or other interests as the Trustees (being at least three in number or a trust corporation*) shall in their absolute discretion appoint by deed or deeds revocable or irrevocable and executed at any time or times not later than twenty-four months after the date of death of the life assured and in default of appointment or so far as no such appointment shall be made shall extend for the benefit of those named in Section B.

I/We desire to appoint those named in Section C below as Trustees* to receive the moneys payable under the Policy and they or the survivor of them or the Trustees for the time being are hereinafter called 'The Trustees'. The receipt of the Trustees shall be a good discharge to the Legal & General for all moneys payable under the Policy.

The Trustees may at their discretion and subject to the trust aforesaid either retain the Policy or deal with the Policy in any manner that they may in their absolute discretion think fit including power (where the Policy so permits but without prejudice to the generality of the foregoing) to surrender the Policy or to convert the Policy in accordance with the options available under the Policy. Any new policy or increase or decrease of benefits secured by the Policy or by any new policy or policies which is or are effected under any options which are contained in the Policy shall be subject to the same trusts as are herein declared.

Any moneys liable to be invested hereunder may be invested or laid out in the purchase of or interest upon the security of such stocks funds shares securities investments or property of whatsoever nature and whosoever situate and whether involving liability or not and whether producing income or not (including the improvement repair insurance (in any value

* The Trustees should be permanently resident in the United Kingdom.

and against any risk) rebuilding and decorating of any property for the time being comprised in the property subject to the trust hereof or the execution of any other works on or for the benefit of any such property) and whether in the name of a nominee or not as the Trustees shall in their absolute discretion think fit to the intent that the Trustees shall have the same full and unrestricted power of investing and transposing investments as if they were absolutely entitled thereto beneficially.

The statutory powers of advancement contained in section 32 of the Trustee Act 1925 or if applicable section 33 of the Trustee Act (Northern Ireland) 1958 shall apply to the trusts hereof with the following variation that is to say the omission in proviso (a) to sub-section (1) of the said section of the words "one-half of". Section 31 of the Trustee Act 1925 or if applicable section 32 of the Trustee Act (Northern Ireland) 1958 shall not apply to the trusts of the Policy.

All income which is received by the Trustees and which arises from the Policy or from any property from time to time representing the Policy shall be paid to or applied for the benefit of the beneficiaries entitled to an interest in possession under the trust as and when such income is received by the Trustees. Any Trustee for the time being (other than myself/ourselves) being a solicitor or other person engaged in any profession or business shall be entitled to charge and to be paid all usual professional or other charges for business done by him/her or by his/her firm in relation to the Policy or to the trusts thereof.

There shall be vested in me/ourselves or the survivor of us a power of removal of any Trustee and a power of appointment of a new Trustee and or additional Trustee(s).

I/We hereby declare that I/we intend to pay the premiums under the Policy for the sole benefit of the person(s) beneficially interested under the foregoing trusts and I/we hereby irrevocably disclaim any lien or charge on the said Policy for the repayment of any such premium.

It is hereby certified that this instrument falls within Category N of the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

This trust shall apply to any Accidental Death Benefit Cover that Legal & General may give as it applies to the Policy.

DECLARATION OF TRUST

This Annex relates to the existing policy number

Section A - The Beneficiaries
e.g. your spouse/civil partner, others in partnership, share-holding directors

Section B - The Beneficiaries
specific name(s) in full

Section C - The Trustees
specific name(s) in full

Name of first Grantee
your name in full
Signature of Grantee

Name of second Grantee
your name in full
Signature of Grantee

For Head Office use only

ABC1234

MY SPOUSE AND CHILDREN AND ANYONE (OTHER THAN MYSELF) THAT I NAME IN WRITING TO THE TRUSTEES

MY WIFE JANE SMITH (50%) AND MY CHILDREN ALICE SMITH (25%) AND ROBIN SMITH(25%)

DAVID GRANT SMITH
SHEILA GRACE MITCHELL

JOHN SMITH

JSmith

Before signing the Trust, please read the provisions set out above.

The second part of the form requires the grantees' and trustees' signatures.

Name and address
of the grantee
In this case John Smith

For a joint policy
the other grantee's
details go here

Details of the
people chosen
to act as trustees
At least two trustees
should always be
appointed

DEED OF ASSIGNMENT/ASSIGNATION

This Assignment/Assignment is made on the 1 day of January 2008 between the Grantee(s) and the Grantee(s) and Additional Trustees of the other part and hereby signed and delivered as a Deed by the said Grantee(s) and Trustee(s).

First Grantee (Full name)

JOHN SMITH

Date of birth

20/09/71

of (Full address)

13 GOODWILL STREET, READING, BERKSHIRE, RH11 4SR

Second Grantee (Full name)

Date of birth

of (Full address)

First Additional Trustee (Full name)

DAVID GRANT SMITH

Date of birth

27/05/67

of (Full address)

112 PRIMROSE DRIVE, SUNNING, BERKSHIRE RH11 9BR

Second Additional Trustee (Full name)

SHEILA G MITCHELL

Date of birth

05/11/75

of (Full address)

94 ORCHARD CLOSE, CARDIFF CF4 7RF

Third Additional Trustee (Full name)

Date of birth

of (Full address)

Fourth Additional Trustee (Full name)

Date of birth

of (Full address)

Whereas the Grantee(s) is/are the Grantee(s) of the Policy(ies) of Assurance (hereinafter called 'the Policy') specified in the Schedule hereto and hold(s) the Policy upon the trusts and with and subject to the powers and provisions therein set out and whereas the Grantee(s) has/have appointed the Trustees as Trustees to receive the moneys payable under the Policy and are desirous of assigning the Policy to the Trustees

Now this deed witnesseth that the Grantee(s) as Trustee(s) hereby assign(s) the Policy unto the Trustees to hold the same unto the Trustees upon the Trusts and with and subject to the powers and provisions upon which and subject to which the Grantee(s) hold(s) the same and the Trustees hereby accept such trusts It is hereby certified that this instrument falls within Category A of the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.

In witness whereof the said parties to these presents have hereunto set their hands the day and year first above written

The Schedule herein before referred to

Office: Legal & General Assurance Society Limited

Date: 11/11/07

Policy No. ABC1234

Fill in the date

Fill in the date
and policy
number

The third part of the form requires the grantees', trustees' and witnesses' signatures.

The grantee (John Smith) signs here

The witness signs and completes their details here

For a joint case the other grantee's details go here and are also witnessed

SIGNED AND DELIVERED AS A DEED by the said		SIGNED AND DELIVERED AS A DEED by the said	
Full name of First Grantee	JOHN SMITH	Full name of Second Grantee	
Signature of First Grantee	JSmith	Signature of Second Grantee	
Signature of Witness	RHarris	Signature of Witness	
Full name and address of witness	RACHEL HARRIS 26 THE DRIVE, READING, BERKSHIRE	Full name and address of witness	

SIGNED AND DELIVERED AS A DEED by the said		SIGNED AND DELIVERED AS A DEED by the said	
Full name of first Additional Trustee	DAVID GRANT SMITH	Full name of second Additional Trustee	SHEILA GRACE MITCHELL
Signature of first Additional Trustee	DSmith	Signature of second Additional Trustee	SMitchell
Signature of Witness	RHarris	Signature of Witness	RHarris
Full name and address of witness	RACHEL HARRIS 26 THE DRIVE, READING, BERKSHIRE	Full name and address of witness	RACHEL HARRIS 26 THE DRIVE, READING, BERKSHIRE

SIGNED AND DELIVERED AS A DEED by the said		SIGNED AND DELIVERED AS A DEED by the said	
Full name of third Additional Trustee		Full name of fourth Additional Trustee	
Signature of third Additional Trustee		Signature of fourth Additional Trustee	
Signature of Witness		Signature of Witness	
Full name and address of witness		Full name and address of witness	

Verification of identity

To protect you and Legal & General from financial crime, Legal & General may be required to verify the identity of Grantees and Trustees. This may be achieved by using reference agencies to search sources of information relating to them (an Identity Search). This will not affect their credit rating. If this fails, Legal & General may need to approach the Grantee(s) or Trustee(s) to obtain documentary evidence of identity.

Your chosen trustees need to sign here

At least two trustees should always be appointed. Each signature must be witnessed – but it does not have to be the same person witnessing them all.

Important notes

On the previous pages we have provided examples of how to complete our trust forms. Each example is for guidance only. Your financial adviser will have provided you with the appropriate form for your needs and circumstances. If you are unsure in any way, please seek further advice before placing your policy in trust.

We have written this guide to give you general information about trusts. It is not intended to replace legal advice. If our trust form does not meet your needs then you should talk to your financial adviser or contact your legal adviser.

We can also provide Absolute Trust forms if you ask us to.

We have based the information in this guide on our understanding of the laws relating to trusts and inheritance tax at the time of publication. Although we have made every effort to make sure the information is accurate, we cannot take legal responsibility for any particular statements.

This guide is based on our understanding of current law and HMRC practice.

In preparing this guide we have assumed that only Legal & General's own trust documentation for non-substantive protection policies is to be used. Life interest, reversion to Settlor, discretionary, and accumulation and maintenance trusts are not covered, nor are trusts used in relation to investment policies. The assumption made in the guide is that the grantee is the legal and beneficial owner of the policy.