

POLICY DOCUMENT
FOR THE NFU MUTUAL
SHREWD SAVINGS
PLAN ISA



The person named in the **schedule** as the **policyholder** has become a member of The National Farmers Union Mutual Insurance Society Limited “NFU Mutual” (see the memorandum and articles of association of NFU Mutual for details of what this means) and has proposed to NFU Mutual for insurance cover.

This policy document and the **schedule** with it (“the **policy**”) set out the terms of the contract between NFU Mutual and the **policyholder** named in the **schedule**. Any alteration to the **policy** (“**endorsement**”) will also form part of the **policy**.

In return for payments made by the **policyholder** to NFU Mutual, **we** will pay the benefits of the **policy** to the **policyholder** or any other person who is entitled to receive them under the terms and conditions of the **policy**.

The **policy** is subject to the **ISA Regulations**, which affects the payments that may be made into the policy and other aspects of the legal status of the **policy**.

Signed on behalf of NFU Mutual on the **start date** stated in the **schedule**

A handwritten signature in blue ink that reads "CK Thomas". The signature is written in a cursive, flowing style.

Charlotte Thomas
Head of Operations (Financial Services)

We are here to help

Contact us to have this document sent in large print, braille or audio tape or for whatever reason you’re finding it difficult to understand this document. We’ll do our best to help.

POLICY TERMS AND CONDITIONS

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1. DEFINITIONS

The definitions below give the meanings of words **we** use throughout policy terms and conditions 1 to 14 and in the **schedule**, where they will appear in **bold** text. They do not apply to policy Condition 15, which has specific defined terms contained within it.

Throughout the **policy** words that **we** use in the singular will also include words in the plural, and words of the masculine gender will also include those of the feminine, unless the context requires otherwise.

A reference to an Act of Parliament, or other regulation, includes any amendments or replacements after the date this **policy** is issued.

“**assignment**” means the legal transfer of ownership of the **policy** by the **policyholder** (the assignor) to another person or company (the assignee) – as evidenced by a notice of assignment.

“**due date**” (if applicable) means the day in each month or year, as stated in **your schedule** when **regular payments** should be paid. If **you** begin investing **regular payments** after the **start date** of **your policy**, **we** will advise **you** of the **due date** in the confirmation **we** send to **you** under condition 3.2.4.

“**endorsement**” means a signed document **we** may issue to confirm an alteration or amendment to the **policy**. It forms part of the **policy**.

“**fund**” means the With-Profits Fund mentioned in condition 7, where **your lump sum** or **regular payments** are invested.

“**fund value**” is calculated as the number of **units** multiplied by the **unit price**. This does not include any **terminal bonus**.

“**ISA regulations**” means the Individual Savings Account Regulations 1998 or any additional regulations.

“**lump sum payment**” means a payment **you** make for investment into the policy.

“**market value reduction (MVR)**” means a reduction **we** may make when **you** take money out of the policy or transfer **your** investment to another HM Revenue and Customs approved ISA manager. The aim of the **MVR** is to ensure that **policyholders** who remain invested during poor market conditions do not lose out because other **policyholders** take their money out of the **fund**.

“**policy**” means the policy document and the **schedule** with it.

“**policyholder**” means the person named in the **schedule** as the life being covered and who is the legal owner of the **policy**.

“**policy value**” means the **fund value** plus any **terminal bonus** that applies.

“**registered office**” means the registered office of The National Farmers Union Mutual Insurance Society Limited, which is at Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ.

“**regular bonus**” means a bonus **we** may add to investments in the **fund**. **We** will add any regular bonuses in increments when **we** calculate the daily **unit prices**. **We** announce the level of regular bonus at least

once each year; it can go up and down and there is no guarantee that **we** will add a **regular bonus** each year.

“**regular payments**” means a series of payments **you** make – either monthly or yearly, on the **due dates**, which are invested into the policy.

“**schedule**” means a schedule issued as part of this **policy**, including any amendments made to it by **endorsement** and/or by the issue of replacement **schedules**.

“**shadow fund units**” means the notional **units** that represent **your** share of the **fund**. The value of these **units** goes up and down with the value of the underlying investments in the **fund**.

“**smoothing policy**” means a method **we** use to smooth policy values when the investment value of the With-Profits Fund fluctuates. Information about **our** smoothing policy is included in **our** ‘Principles and Practices of Financial Management’ document, which **you** can request from **our registered office**, or from **our** website nfumutual.co.uk

“**start date**” means the date when the **policy** starts, as shown on the **schedule**.

“**terminal bonus**” means an additional bonus **we** may pay when **you** sell **units** from the **fund**, or when **you** transfer **your** investment to another HM Revenue and Customs approved ISA manager, or when **we** pay the death benefit. It represents **your** share of profits that have not already been paid out as **regular bonus**.

“**unit**” means one of the equal parts into which the **fund** is notionally divided as described in condition 6.

“**unit price**” means the price for each **unit** in the **fund** which **we** use for both buying and selling **units** in the **fund**.

We calculate the **unit price** for each **working day** on the next **working day**.

The **unit price** **we** calculate each **working day** at close of business is dependent on any bonuses decided by **our** Board of Directors and the annual charge under condition 5.1.

The **unit price** that applies for any **working day** will be published by close of business on the next **working day**. It will be available to use for transactions on the **working day** after the date of publication.

“**we**”, “**us**” or “**our**” means The National Farmers Union Mutual Insurance Society Limited (“NFU Mutual”).

“**With-Profits units**” means the **units** **we** create when a payment is invested in the **fund**. The value of these **units**, before the deduction of the annual charge under condition 5.1, may increase, by the addition of bonuses.

“**working day**” means a day when the London Stock Exchange is open for business. If a transaction would fall on a day which is not a **working day** it will be held over until the next **working day**.

“**you**” or “**your**” means the **policyholder**, as named in the **schedule**, or the **policyholder’s** legal personal representative, or any person **we** are satisfied is authorised to act on the **policyholder’s** behalf.

2. RESIDENCE

- 2.1 The **policyholder** must be resident in the United Kingdom for tax purposes.
- 2.2 A **policyholder** who is not resident will be eligible if they perform duties which, by virtue of Section 28 of the Income Tax (Earnings & Pensions) Act 2003 (Crown Employees Serving Overseas) are treated as being performed in the United Kingdom, or they are married to, or in a civil partnership with, a person who performs such duties.

3. YOUR PAYMENTS INTO THE POLICY

- 3.1 **You** can make **regular payments** and/or **lump sum payments** to the policy.

3.2 Regular payments

- 3.2.1 If **you** invest **regular payments** **you** must pay them by direct debit, or such other method of payment **we** agree to.
- 3.2.2 **You** can choose to invest **regular payments** from the **start date** of the **policy**, or from a later date. After the **start date** **you** may request a change to the amount of any **regular payments**, and such change will take effect on the next **due date**.
- 3.2.3 To do this:
- (a) **you** must give **us** 30 days' notice before a **regular payment**, or a change to a **regular payment** amount, will start. **Your** notice must be in writing to **our registered office**, unless **we** have notified an alternative method of communication to **you**,
- (b) **your regular payments** must not be less than the minimum amount **we** require at the time or more than the maximum allowed by the **ISA regulations**. **We** may change the minimum amount from that which **we** notified before the **start date**, for any of the reasons set out in condition 12. **You** can request details of the up to date amounts from **our registered office** at any time.
- 3.2.4 **Your** application to invest **regular payments**, or to change their amount, will only start once **we** have confirmed this to **you** in writing, or by any alternative method of communication **we** have notified to **you**.
- 3.2.5 **We** will request **regular payments** from **your** bank account, of the agreed amount and at the agreed intervals, until **you** inform **us** of a change, or until the policy ends.
- 3.2.6 **Regular payments** not made in accordance with this condition 3.2 will be treated as **lump sum payments** and subject to condition 3.3.

3.3 Lump sum payments

- 3.3.1 If **you** invest **lump sum payments** **you** must pay them by cheque, or such other method of payment **we** agree to.
- 3.3.2 **You** may invest **lump sum payments** at, or at any time after, the **start date**.
- 3.3.3 To do this:
- (a) **you** must apply in writing to **our registered office**, unless **we** have notified an alternative method of communication to **you**,
- (b) **your lump sum payment** must not be less than the minimum amount **we** require at the time or more than the maximum allowed by the **ISA regulations**. **We** may change the minimum amount from that which **we** notified before the **start date**, for any of the reasons set out in condition 12. **You** can request details of the up to date amounts from **our registered office** at any time.
- 3.3.4 **Lump sum payments** may include any amounts **you** transfer into the policy from another HM Revenue and Customs approved ISA manager. Such payments may not be less than the minimum amount under condition 3.3.3(b) but may be more than the maximum allowed by the **ISA regulations**. They will not affect **your** annual ISA allowance.
- 3.3.5 **Your** application to invest a **lump sum payment** will only start once **we** have confirmed this to **you** in writing, or by any alternative method of communication **we** have notified to **you**.

3.4 Terminating payments

- 3.4.1 **We** may stop accepting further **regular payments** or **lump sum payments** to the Shrewd Savings Plan ISA from all **policyholders** for any of the reasons set out in condition 12.
- 3.4.2 **We** will give **you** 60 days' advance notice if **we** intend to stop accepting payments. This notice will be in writing, or by any alternative method of communication **we** choose to use at the time.
- 3.4.3 If **we** stop accepting payments the policy will continue, subject to all of the other conditions.

4. HOW WE INVEST YOUR PAYMENTS

- 4.1 **We** will invest **your regular payments** and/or **lump sum payments**, less the charges in conditions 5.2 and 5.3, in the **fund**.
- 4.2 **We** divide the **fund** into **units**. Every payment **you** make will buy a number of **units** in the **fund**.

5. THE CHARGES WE TAKE

5.1 The annual charge

- 5.1.1 Each time **we** work out the value of the **fund we** will take a charge from the **fund**. This will reduce the value of the **units** in the **fund**.
- 5.1.2 The annual charge is currently 1.25% of the **fund value**.
- 5.1.3 **We** take a fraction of the annual charge from the **fund** at each valuation. The fraction **we** take is 1/365.25 of the annual charge multiplied by the number of days since the last valuation.
- 5.1.4 **We** may change the annual charge if the cost of managing the **fund** or **your policy** generally, changes. **We** may do this for any of the reasons set out in condition 12.
- 5.1.5 The maximum annual charge **we** can take is 2% a year.
- 5.1.6 **We** will give **you** 30 days' advance notice if **we** change the annual charge. This notice will be in writing, or by any alternative method of communication **we** choose to use at the time.
- 5.1.7 **You** can request details of the up to date annual charge for the **fund** from **our registered office** at any time.

5.2 The advice charge

- 5.2.1 If **you** have chosen to have the fee for advice taken from payments to **your policy**, **your schedule** will show the amount of this charge and the period over which it is payable.
- 5.2.2 If **you** increase **your regular payments** or make a **lump sum payment** in the future, the amount of the charge will be shown in the documentation **we** send **you** at the time.
- 5.2.3 The charge will be deducted from **your** payment before any initial charge is taken (see condition 5.3) and before the money is invested into **your policy**.

5.3 The initial charge we take from your payments

- 5.3.1 **We** may take an initial charge from each payment **you** make. This charge will be taken after the deduction of any advice charge that applies (see condition 5.2). **Your schedule** will show the amount of any initial charge which applies.
- 5.3.2 If **you** increase **your regular payments** or make a **lump sum payment** in the future, the amount of the initial charge will be shown in the documentation **we** send **you** at the time.
- 5.3.3 **We** may change the initial charge if the cost of managing **your policy** changes. **We** may do this for any of the reasons set out in condition 12. Any change **we** make would apply to **regular payments you** are making at the time, and future **lump sum payments**.
- 5.3.4 The maximum initial charge **we** can deduct from each **lump sum** or **regular payment** (after any initial advice charge) is 5%.
- 5.3.5 **We** will give **you** 30 days' advance notice if **we** change the initial charge. This notice will be in writing, or by any alternative method of communication **we** choose to use at the time.

6. HOW WE ADD UNITS TO YOUR POLICY

- 6.1.1 When **you** invest a **lump sum payment we** calculate the number of **units** by dividing **your lump sum payment**, after deducting the charges in conditions 5.2 and 5.3, by the **unit price** that applies on the date **we** receive and accept **your** application and payment at **our registered office**. If **we** agree to accept **lump sum payments** by any other means, the **unit price** will be that which applies on the date **we** receive **your** application and the payment.
- 6.1.2 If **you** invest **regular payments we** calculate the number of **units** by dividing each **regular payment**, after deducting the charges in 5.2 and 5.3, by the **unit price** that applies on the date **we** receive **your** payment.
- 6.1.3 When calculating the number of **units**, **we** round fractions of **units** to the nearest five decimal places.

7. THE WITH-PROFITS FUND

- 7.1 When **you** invest a payment in the **fund**, **you** buy **units** in the policy as described in condition 6. **You** buy two types of **units**, **With-Profits units** and **shadow fund units**.

7.2 Market value reduction

- 7.2.1 When **you** sell all or part of **your With-Profits units**, including when **you** transfer all or part of **your** investment to another HM Revenue and Customs approved ISA manager, **we** can reduce the value of those **units** by applying a **market value reduction**.
- 7.2.2 **We** do not use a **market value reduction** unless the value of **your shadow fund units** is less than 90% of the value of **your** corresponding **With-Profits units**.
- 7.2.3 If the value of **your shadow fund units** is 85% or less of the value of **your** corresponding **With-Profits units**, **we** will pay **you** the value of the **shadow fund units**.
- 7.2.4 If the value of **your shadow fund units** is between 85% and 90% of the value of **your** corresponding **With-Profits units**, **we** will pay **you** an amount between the value of the **shadow fund units** and the value of the **With-Profits units**.
- 7.2.5 **We** have the right to change the trigger points of 85% and 90%. **We** may do this for any of the following reasons:
- (a) if there is a change in the financial position of the **fund**.
 - (b) if the number of **policyholders** selling **units** changes significantly.
 - (c) if there is a change in **our smoothing policy**.
 - (d) if there is a change in the regulation of the policy or the **fund**.

Any alteration will reasonably reflect the change that has occurred.

- 7.2.6 If **we** change the **market value reduction** trigger points **we** will notify **you** as soon as reasonably possible after **we** make the change. This notice will be in writing, or by any alternative method of communication **we** choose to use at the time.
- 7.2.7 The **market value reduction** will only apply to the number of **units** being sold.
- 7.2.8 **We** will not apply the **market value reduction** when **we** pay the death benefit under condition 8, or to deductions made to pay for charges.
- 7.3 For commercial or practical reasons **we** may change the investment strategy of the **fund**. **We** may only do so if **we** consider that it is in the interest of **our** with-profits **policyholders** generally, because investment conditions or changes in the law or regulation may adversely affect the intended performance or operation of the **fund**. This will not affect the value of the **With-Profits units** **you** have already bought.

8. WHAT WE PAY ON DEATH AND WHO WE PAY IT TO

- 8.1 The death benefit is the value of all **units** held in the policy at the date of death and any **terminal bonus** **we** may add, plus an extra 1%. To work out the value, **we** use the **unit price** that applies on the date of death; if this falls over a weekend or bank holiday, **we** will use the value for the next **working day**.
- 8.2 **We** will only pay the death benefit when **we** have received satisfactory proof of the death, and appropriate documentation confirming that the person claiming the death benefit is legally entitled to it.
- 8.3 **We** will pay the death benefit to the person who is legally entitled to it. The policy will end when **we** pay the death benefit and **we** will have no further liability under it.

9. HOW YOU CAN CASH IN ALL OR PART OF THE POLICY

- 9.1 **You** can ask **us** to sell some or all of **your units** in the policy, in return for a lump sum. **Your** request must be in writing to **our registered office**, unless **we** choose to accept an alternative method of communication at the time.
- 9.2 **We** will sell **units** in **your policy** using the **unit price** that applies for the date **we** receive **your** instructions.
- 9.3 If **you** are cashing in part of **your policy**, **we** will divide the amount **you** have requested by the **unit price** that applies for the date **we** receive **your** instructions.
- 9.4 **We** may also pay a **terminal bonus**.
- 9.5 The total value of **units** **you** are selling must be at least £100. The value of any remaining **units** must be at least £500. **We** may change these minimum amounts for any of the reasons set out in condition 12. **You** can request details of the up to date amounts from **our registered office** at any time.
- 9.6 The policy will end if **you** sell all of the **units**. **We** will have no further liability to **you** under it.

10. TRANSFERRING TO ANOTHER ISA

- 10.1.1 **You** are allowed to transfer all or part of the value of **your units** in the policy to another HM Revenue and Customs approved ISA manager.
- 10.1.2 **You** will need to give **us** notice in writing if **you** wish to transfer and **we** will then sell **units** in **your policy** using the **unit price** that applies on the date **we** receive all the required forms from the new ISA manager. **We** may also pay a **terminal bonus**.
- 10.1.3 The **policy value** will be passed directly to the new ISA manager.
- 10.1.4 If, at the date of the transfer payment, the total value of any **units** that would remain in the policy is less than £500, **we** will include that value in the transfer payment to the new ISA manager. If this happens the policy will end and **we** will have no further liability to **you** under it. **We** may change this minimum amount for any of the reasons set out in condition 12. **You** can request details of the up to date amount from **our registered office** at any time.

11. ISA CONDITIONS

- 11.1.1 The policy may be owned or held only as a qualifying investment within the Shrewd Savings Plan ISA.
- 11.1.2 The policy, the rights conferred by the **policy**, or any share or interest in them are not capable of **assignment** other than under condition 10.
- 11.1.3 The rights, other than the proceeds from cashing in **units** under condition 9, cannot be transferred to the **policyholder**.

12. FUTURE ALTERATIONS WE MAY MAKE TO THE POLICY TERMS AND CONDITIONS

Any alteration to the **policy** under this condition will only be made if there is a change in:

- (a) the cost of administration of the policy or of fund management,
- (b) the tax treatment of the policy or the **fund**, that, in **our** reasonable opinion, will result in the policy being:
 - (1) uneconomic for **us** to maintain in accordance with the current conditions of the **policy**,
 - (2) unsuitable or inappropriate for the majority of **policyholders** to invest further money or retain their existing investment, or
 - (3) unsuitable or inappropriate for new **policyholders** to invest in.

13. CLOSING THE POLICY

- 13.1 **We** may close the policy at any time if **we** are required to do so in order to comply with the **ISA Regulations**. **We** will notify **you** in writing if this happens.
- 13.2 The policy will automatically end if it is no longer owned or held within the Shrewd Savings Plan ISA.

14. THE LAW GOVERNING THE POLICY AND CHANGES TO IT

- 14.1 The law of England will apply to this **policy** unless the **policyholder** has agreed otherwise with **us** before the **policy** is issued.
- 14.2 In addition to any changes under condition 12, if, during the lifetime of the policy, there is a change in the law or in regulation (or how they are interpreted) that directly or indirectly affects the policy or the **fund**, **we** may alter the **policy** conditions but any alteration will reasonably reflect such changes. This includes any change affecting the tax treatment of the policy or the **funds**.
- 14.3 If **we** amend or alter the **policy** conditions for this purpose, **we** will issue an **endorsement**. Any **endorsement** **we** issue will form part of the **policy**.
- 14.4 **We** may need to make deductions from the policy, or alter the benefits payable under it, to meet **our** regulatory or legal obligations under:
 - (a) the Financial Services Compensation Scheme
 - (b) the Financial Services and Markets Act 2000
 - (c) any other legal or regulatory requirement affecting the **policy** directly or indirectly.but any deduction will reasonably reflect such obligations.

15. CHARITABLE ASSIGNMENT CONDITION

This condition forms part of the terms on which YOUR policy is issued. Words printed in capitals in this condition are explained in paragraph 4 below.

1. Unless paragraph 3 applies, YOU agree with US and the CHARITY that YOU will transfer to the CHARITY the right to any WINDFALL which YOU would otherwise be entitled to receive in respect of the policy and any renewal or reissue of it.
2. To ensure that the agreement YOU have entered into in paragraph 1 can be effectively carried out:
 - (a) YOU authorise US to transfer any WINDFALL direct to the CHARITY;
 - (b) YOU agree to sign any documents and to do anything else which may be needed to transfer any WINDFALL, and YOUR right to receive the WINDFALL, to the CHARITY;
 - (c) YOU appoint US and any of OUR officers and (as a separate appointment) the CHARITY and any of its officers to be YOUR agent to take any of the steps mentioned in (b) above on YOUR behalf;
 - (d) YOU authorise US to provide the CHARITY with any information it reasonably requires about YOU and any policy YOU hold with US, and YOU consent to US and the CHARITY holding and processing such information for this purpose;
 - (e) YOU cannot revoke the authority contained in (a) or (d) above, or the appointment contained in (c) above.
3. Paragraph 1 shall not apply in respect of any WINDFALL which arises from a BUSINESS TRANSFER to any company or other body corporate which is at the time of such transfer OUR subsidiary, in circumstances where such transfer is not in any way related to a DEMUTUALISATION or to any sale or other disposal (or proposed sale or other disposal) of such subsidiary.
4. In this condition:
 - (a) the "CHARITY" is the NFU Mutual Charitable Trust Limited or, if it ceases to exist, any other charity which becomes entitled to the benefit of the agreement YOU have entered into in paragraph 1;
 - (b) "BUSINESS TRANSFER" means a transfer of part or all of OUR business to any other person, firm or company;
 - (c) "DEMUTUALISATION" means a change (or proposed change) in OUR constitution or corporate status (whether or not involving or associated with a BUSINESS TRANSFER) which has the effect that WE cease to be a MUTUAL ORGANISATION;
 - (d) "MUTUAL ORGANISATION" means a company or other body whose constitution limits membership and voting rights wholly or mainly to persons purchasing goods or services from it or otherwise trading with it;
 - (e) "WE", "US" and "OUR" refer to The National Farmers Union Mutual Insurance Society Limited and any company or other organisation which becomes entitled to all or part of its business;
 - (f) a "WINDFALL" means any benefit to which YOU become entitled as one of OUR members on or in connection with any future BUSINESS TRANSFER or DEMUTUALISATION;
 - (g) "YOU" and "YOUR" refer to OUR member under the policy.

nfumutual.co.uk



NFU Mutual

The National Farmers Union Mutual Insurance Society limited (No. 111982).
Registered in England. Registered Office: Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ.
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
and the Prudential Regulation Authority.

To find out more about how we use your personal information and your rights, please go to the Privacy Policy on
our website.

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