



Discretionary Split Trust

For use with Care Cover and Whole of Life Insurance

This document is provided for use with AIG Care Cover with Whole of Life Insurance. This Trust can be used for new or existing policies. It must not be used with any other cover. It is intended for use where an interest in one or more of the benefits is to be retained by the policyholder.

Before you complete this form, we strongly recommend that you consider whether this document is appropriate for your needs – we suggest that you speak to your professional adviser who will be able to help you decide whether a trust is right for you and, if so, which type of trust would suit your needs best. AIG Life Limited does not accept any responsibility for the effect or consequences of using this document.

What is a Split Trust?

A Split Trust is a Discretionary Trust which enables the policyholder, as Settlor, to gift certain benefits, such as death benefits, into Trust to be held by the Trustees for a group of Potential Beneficiaries. The Trustees appointed by the Settlor have discretion in accordance with the Trust document to determine which of the Potential Beneficiaries benefits from the Trust Fund, how much they receive and when. Additionally, it allows the policyholder, as Settlor, to retain other benefits, such as Care Cover and/or Terminal Illness Benefit, for themselves. The proceeds of any retained benefits will be paid to you and will not be subject to the terms of the Trust.

Once you, and the Trustees that you choose, have signed this form and the cover commences:

- All benefits payable under the Covers included in this document and not retained by you will be held in Trust for the Potential Beneficiaries;
- The Trustees can only be changed in accordance with the terms of the Trust;
- Potential Beneficiaries can only be added in accordance with the terms of the Trust;
- The Trustees will manage and control the benefits that are in the Trust.

Care Cover and/or Terminal Illness Cover

You can choose to retain the Care Cover or gift the benefit to the Trust. Additionally, you can also choose to retain the Terminal Illness Benefit or gift the benefit into the Trust. If you do retain either benefit then it will be outside the trust and may form part of your estate for inheritance tax purposes (whether or not you choose to claim it). If you do gift it into the Trust, we will pay any benefit for Care Cover and/or Terminal Illness to the Trust and not to you. The Trustees would then distribute the benefit/s according to the terms of the trust. There is a tick box under the Retained Benefits section of this document where you can indicate your choices.

Joint Life Cover

You can use this document to put joint life cover in trust. The details of both people who are applying for cover and whose lives are insured by the cover need to be included in the Declaration of Trust section of this document. By doing this, the life insurance proceeds will be paid to the Trustees in the event of a valid claim and, in the case of joint life first death cover, the surviving life will not be entitled to receive any of the death benefits.

Alternatively, if the cover is joint life and is to pay the death benefits on the first death of the two joint lives, you can select the Survivorship, or "30 day", Option.

If you tick for the Survivorship Option to apply, the death benefit will be paid to the surviving person if they are still alive 30 days after the first person dies. If the surviving person dies within 30 days of the first death, the death benefit will be held in Trust for the Potential Beneficiaries.

If you do not select the Survivorship Option, the death benefit will be held in Trust for the Potential Beneficiaries. There is a tick box under the Retained Benefits section of this document where you can indicate your choice.

Trusts and taxation

Normally, life protection policies that have been put into Trust are not included in your estate (unless the benefit has been retained) - there should therefore be no inheritance tax to pay. It may not be necessary, therefore, to register this Trust with Her Majesty's Revenue & Customs (HMRC). If this Trust is part of a wider gifting programme, there may be some benefits to registering this Trust with HMRC. Your adviser will be able to tell you if you should register your Trust with HMRC.

The laws relating to the taxation of gifts and trusts may change in the future. AIG Life Limited shall not be held responsible for any information given or any changes in tax provisions or legislation that may affect the policies within the trusts or the tax treatment of either the policies or the provisions of the trust or the rules applying to gifts for inheritance tax planning purposes.

Completed trust deeds should be sent to: AIG Life Limited, PO Box 12010 Harlow CM20 9LG

Checklist

Before returning this Discretionary Split Trust form to AIG Life, please check to see whether you have:

1. Dated the trust
2. Inserted the name(s) of the cover owner(s) and other trustees
3. Provided details of the Potential Beneficiaries, Excluded Beneficiaries and Named Beneficiaries
4. Decided whether benefits should be retained
5. Signed the Trust and had all signatures, including trustees, witnessed.

Section A: Definitions

The words in this form which begin with a capital letter have particular meanings which are set out in the table below.

Word	Definition
Additional Trustee	The person appointed by the Settlor to be a Trustee of the Trust as listed in Section C - The Declaration of Trust or such other person or persons who may be appointed as a Trustee of the Trust.
Beneficiary	A Potential Beneficiary and, where clause 4(b) of Section B - The Trust Provisions apply, a Named Beneficiary.
Child/Children	A child that is a: <ul style="list-style-type: none"> • Natural born child of the Settlor • Legally adopted child of the Settlor • Stepchild of the Settlor • Illegitimate child of the Settlor.
Civil Partner	A person who has gone through a Civil Partnership Ceremony with the Settlor and is classified as their partner under section 1(1) of the Civil Partnership Act 2004.
Excluded Beneficiary	A person specifically identified in Section C - The Declaration of Trust as excluded from being a Potential Beneficiary.
Gifted Benefits	The Settlor's gift all the benefits under the Policy other than the Retained Benefits to the Trustees to hold on trust subject to the powers and provisions of the Trust as set out in this Deed.
Incapacitated	A person who in the opinion of two medical doctors lacks mental capacity.
Minor	A person considered to be under the age of consent – currently age 18 in England and Wales, and age 16 in Scotland.
Named Beneficiaries	The beneficiaries named in Section C - The Declaration of Trust as the beneficiaries who may receive a benefit from the Trust under clause 4(b) of Section B - The Trust Provisions.
Policy	The life insurance contract (or "cover") that you are putting into this Trust and which is identified in Section C - The Declaration of Trust.
Potential Beneficiary	A person who may receive a benefit from this Trust and is listed in Section C - The Declaration of Trust.
Retained Benefits	Those benefits that the Settlor has retained and will be held subject to the powers and provisions of the Trust as set out in Section C of this Deed.
Settlor	The person (or persons if it is a joint policy) who sets up the Trust and is identified as the "Settlor" in Section C - The Declaration of Trust.
Split Trust	This Trust is a Split Trust which means that Gifted Benefits will be held for the Potential Beneficiaries and the Retained Benefits are held for the Settlor.
Trust	The Trust that is set up pursuant to this Discretionary Split Trust Declaration Form incorporating this Section A - Definitions, Section B - The Trust Provisions, Section C - The Declaration of Trust and any amendments to these provisions.
Trustees	The Settlor and the Additional Trustees.
Trust Fund	The Policy, all the title, benefits, rights and interest of the Policy, all monies received or payable under the Policy and all property and monies added thereto by way of further settlement, accumulation of income or otherwise but excluding any Retained Benefit and any property from time to time representing the Retained Benefits.
Trust Period	The lifetime of the Trust which shall be up to 125 years beginning from the date of this Trust.

We have used headings to help you understand and find particular clauses. These headings do not form part of the Trust Provisions and do not affect their meaning.

References to people involved in setting up and running the Trust in the singular can mean one or more persons. So, for example, 'Settlor' can mean one Settlor or the Settlor. If the reference is in the plural, it can also mean one person.

Section B: The Trust Provisions

1 Declaration of Trust for a New Policy The Settlor hereby requests and declares that the Policy be issued by AIG Life Limited to the Settlor to hold on trust with the Additional Trustees subject to the powers and provisions of the Trust as set out in this Deed.
2 Declaration of Trust for an Existing Policy The Settlor as the legal and beneficial owner of the Policy assigns the Policy and all the benefits payable under it to the Trustees to hold on Trust subject to the powers and provisions of the Trust as set out in this Deed. The Settlor and Trustees will send a copy of this Declaration of Trust to AIG Life Limited as notice of the assignment effected under this Trust.
3 Appointment of Additional Trustees In signing this Declaration of Trust the Settlor appoints the Trustees to act as the trustees of this Trust and the Trustees agree to act as the trustees of the Trust (as evidenced by them signing this Deed) in accordance with the trusts powers and provisions set out below, except the Retained Benefits as set out in Section C - The Declaration of Trust. Any such Retained Benefits payable under the Policy shall be for the benefit of the Settlor absolutely and shall not form part of the Trust Fund.
4 Discretionary power of appointment (a) Subject to the instruction for Retained Benefits referred to in clause 9 of these Trust Provisions, the Trustees shall hold the income and capital of the Trust Fund upon trust for the benefit of one or more of the Potential Beneficiaries at any time during the Trust Period in such shares and on such terms as the Trustees shall in their absolute discretion appoint. All appointments shall be made by deed and may be stated to be revocable or irrevocable but no power of revocation reserved to the Trustees by any appointment may be exercised after the end of the Trust Period. (b) If the Trustees do not exercise the discretion to appoint as stated in clause 4(a) of these Trust Provisions, the Trustees shall notify the Potential Beneficiaries of their decision to not exercise such discretion and then shall hold the income and capital of the Trust Fund upon trust for the Named Beneficiaries in the shares specified in Section C - The Declaration of Trust.
5 Trusts in default of appointment Subject to any appointment under the Trust (a) The trustees shall pay or apply the income of the Trust Fund during the Trust Period to or for the benefit of such one or more of the Potential Beneficiaries and in such shares if more than one and in such manner and upon such terms and conditions (if any) as the Trustees shall think fit (b) Despite the provisions of sub-clause 5(a) above the Trustees may during the Trust Period retain and accumulate the whole or any part or parts of the income of the Trust Fund as an accretion to capital and the Trustees may apply the whole or any part of such accumulated income as if it were income arising in the then current year.
6 Trusts of capital in default of appointment In default of and subject to any and every appointment made under clause 4 the Trust Fund and its income shall at the end of the Trust Period be held upon Trust for the Named Beneficiaries and such of the children and remoter issue of the Named Beneficiaries as are living at the end of the Trust Period and if more than one in equal shares absolutely.
7 Power of Maintenance Subject to the terms of any appointment under clause 4 the provisions of Section 31 Trustee Act 1925 shall apply but where the Trustees have power under sub-section (1)(i) to pay income to the parent or guardian of any Potential Beneficiary who has not reached the age of 18 years or to apply it for or towards the maintenance education or benefit of such person they shall also have power to pay it to the person themselves.
8 Settlor and Excluded Person unable to benefit No power or discretion conferred on the Trustees by this Trust or by law, either expressed or implied, may be exercised so as to cause or permit any part of the capital or income of the Trust Fund to become payable in any way for the benefit of the Settlor or any Excluded Person.
9 Retained Benefit The Retained Benefits and the income from them shall be held for the absolute and indefeasible benefit of the Settlor.
10 Survivorship Option Section C: The Declaration of Trust, Retained Benefits, will indicate by the choice made whether the death benefit on a policy which is on a joint life, first death basis, will be held for the surviving life if still living 30 days after the death of the first life. If the box is ticked to indicate that the 30 day wording applies, and the policy is on the joint lives of the policyholders and the death benefit hereunder is expressed as payable on the death of the first of them to die, if the survivor of the policyholders is living 30 days after the death of the deceased policyholder, the death benefits will be held for the survivor of the policyholders absolutely outside of the trust and the interests of all other persons hereunder shall cease.
11 Irrevocability The Trust shall be irrevocable.

<p>12 Number of Trustees and power to appoint new Trustees</p> <p>(a) There must be at least two Trustees at any given time of which one must be a person who is not the Settlor.</p> <p>(b) The Settlor shall have the power to appoint new Trustees during their life (provided they are not Incapacitated).</p>
<p>13 Power to remove Trustees and retirement of Trustees</p> <p>(a) Provided they are not incapacitated, the Settlor shall have the power to remove any Trustee without giving reasons for doing so and without the need for other Trustees to agree or otherwise, provided there are at least two Trustees remaining after the removal has been completed.</p> <p>(b) Subject to above, a Trustee can be removed by the other Trustees where the Trustee who is being discharged of their duty cannot be found provided that:</p> <p>(i) the Trustee being discharged has not been in contact with any of the other Trustees within the preceding twelve month period;</p> <p>(ii) the other Trustees have made reasonable efforts to make contact with the Trustee to be discharged; and</p> <p>(iii) the discharge is made by deed executed by all of the continuing Trustees being at least two in number and a declaration is made in such deed that all reasonable efforts were made to contact the Trustee who cannot be found and that the continuing Trustees have written to the missing Trustee's last known address without success and that they have attempted to contact the missing Trustee through all other addresses given to them during their investigation. Such declaration shall be conclusive evidence in favour of any person dealing with the Trustees in good faith.</p> <p>(c) A Trustee may retire provided that following the Trustee's retirement, there are at least two continuing Trustees. A Trustee's retirement shall take effect from the date of the notice of retirement sent in writing to the continuing Trustees.</p>
<p>14 Duty of Trustees to act unanimously</p> <p>All Trustees must approve any distribution made under the terms of this Trust to Potential Beneficiaries.</p>
<p>15 Power to invest</p> <p>Where monies are held by the Trustees for a period of time before distribution of the proceeds, the Trustees shall have the power to invest such monies in an investment that will not be classified as a wasting asset and shall be easily accessible to enable prompt distribution when appropriate.</p>
<p>16 Valid receipt</p> <p>(a) The Trust Fund may be paid to a Potential Beneficiary, and where the Potential Beneficiary is a Minor, to the parent or legal guardian of the Minor who shall take receipt of the monies to be held for the benefit of the intended Potential Beneficiary who is a Minor and the receipt by such parent or legal guardian shall be a good discharge to the Trustees.</p> <p>(b) In the case of Potential Beneficiaries which are charities, the Trust Fund may be paid to a treasurer or other person acting in an official capacity approved by the charity which has been identified as the recipient of such benefits and the receipt by such person shall be a good discharge to the Trustees.</p>
<p>17 Power to charge</p> <p>(a) A Trustee (but not the Settlor) engaged in a profession or business shall be entitled to charge and be paid from the Trust Fund all professional and other charges connected with their duty to act as Trustee. This charge shall be no greater than the Trustee's normal professional charges.</p> <p>(b) Any Trustee (whether or not engaged in a profession or business) shall be entitled to reimbursement from the Trust Fund of their reasonable costs incurred in carrying out their Trustee duties, including expenses incurred through administration, seeking professional advice and incidental expenses.</p> <p>(c) A corporate body acting as Trustee shall be entitled to charge fees in accordance with their normal professional charges for Trustee work. Such terms may be reviewed and agreed with the Settlor from time to time.</p>
<p>18 Power of appropriation</p> <p>The Trustees may appropriate any part of the Trust Fund in or towards satisfaction of the interest of any Potential Beneficiary and may for such purposes place such value on any property as they think fit.</p>
<p>19 Power to add or exclude Potential Beneficiaries</p> <p>The Settlor may, with the Trustees' written consent, and after the Settlor's death the Trustees may by deed or deeds add to or exclude from the list of Potential Beneficiaries such objects or persons as the Settlor with such consent or the Trustees (as the case may be) shall with due regard to the law relating to remoteness think fit but such power shall not be exercised to add the Settlor or any other Excluded Person to the Potential Beneficiaries.</p>
<p>20 Power to vary administrative provisions</p> <p>The Trustees can amend or add to the administrative provisions of this Trust provided such amendment or addition is by deed.</p>
<p>21 Power to delegate</p> <p>The Trustees may, by acting jointly, delegate any power conferred on them by this Trust to any person who provides professional services in relation to the delegated power and such person shall exercise the delegated power on such terms as they think fit. The restrictions on delegation in sections 12 to 15 of the Trustee Act 2000 shall not apply.</p>

22 Other Trustee Powers

The Trustees shall in addition to the powers referred to above and to the powers conferred on them by law have the following powers:

- (a) To borrow money for any purpose (including investment and the payment of tax or the making of any loan) upon any terms and the Trustees may charge Trust property for this purpose;
- (b) To lend all or any part or parts of the Trust Fund upon such terms as they may in their absolute discretion consider to be appropriate, and on either a secured or an unsecured basis, to any Potential Beneficiary or Potential Beneficiaries provided that the Trustees comprise at least two individuals of which at least one is neither the Settlor nor the Potential Beneficiary to whom a loan is proposed to be made and that any such loan is expressed to be repayable within the Trust Period.
- (c) To retain all or any part of the Trust Fund in its actual condition and be under no obligation in exercising their powers of investment to have regard to the need for diversification of investments.

23 Liability for breach of trust

The liability of a Trustee for breaches of the Trust shall be limited to breaches arising from the Trustee's own fraud, wilful misconduct or gross negligence except in the case of a Trustee acting in a professional capacity. The Trustees shall not be liable for the default of a person acting under a delegated power pursuant to clause 21 of these Trust Provisions provided they took reasonable care in the selection and supervision of such person.

24 No duty to consult

The Trustees may exercise their powers with absolute discretion and are under no duty to consult the Potential Beneficiaries or accept instructions from any Potential Beneficiaries.

25 Law

This Trust shall be governed by and construed in accordance with the laws of England and Wales.

Potential Beneficiaries

The Trustees may select anyone in the list below to receive benefits from the Trust

1. Any widow, widower of the Settlor
2. Any surviving Civil Partner of the Settlor
3. Any Children and any other direct descendants of the Settlor
4. The parents, brothers, sisters of the Settlor(s) and the Children or any other direct descendants of these persons
5. Any person(s) entitled under the will or intestacy of the Settlor
6. Any person(s) or charity other than the Settlor nominated as a beneficiary by the Settlor by notice in writing to the Trustees
7. Any other person named below:

Full name of Potential Beneficiary	
Full address of Potential Beneficiary	Postcode

Full name of Potential Beneficiary	
Full address of Potential Beneficiary	Postcode

Full name of Potential Beneficiary	
Full address of Potential Beneficiary	Postcode

Retained Benefits

Care Cover Benefit

Please tick the "Yes" box to indicate whether you wish to retain this benefit for yourself/yourselfs

YES

Please tick the "No" box if you wish to gift this benefit into trust for the nominated beneficiaries

NO

Terminal Illness Benefit

Please tick the "Yes" box to indicate whether you wish to retain this benefit for yourself/yourselfs

YES

Please tick the "No" box if you wish to gift this benefit into trust for the nominated beneficiaries

NO

Survivorship Option

If you are applying for a policy which is on a joint life, first death basis, please tick the relevant box below to indicate whether or not you wish the Survivorship Option / 30 day wording to apply (see Section B, Provision 10 for further details).

Please tick the "Yes" box to indicate whether you wish the Survivorship / 30 day wording to apply

YES

Please tick the "No" box if you do not wish the Survivorship / 30 day wording to apply

NO

Named Beneficiaries

The Trustees may distribute benefits to the persons listed below pursuant to clause 4(b) of the Trust Provisions:

Full name of Beneficiary	
Full address of Beneficiary	Postcode
Share (%) / Description of gift. For example:	

Full name of Beneficiary	
Full address of Beneficiary	Postcode
Share (%) / Description of gift. For example:	

Excluded Beneficiaries

The following persons shall be excluded from being a Potential Beneficiary notwithstanding any other provision of this Trust

Full name of Excluded Beneficiary	
Full address of Excluded Beneficiary	Postcode

Full name of Excluded Beneficiary	
Full address of Excluded Beneficiary	Postcode

Full name of Excluded Beneficiary	
Full address of Excluded Beneficiary	Postcode

Execution of Trust

THE SETTLOR SHOULD ENSURE HE/SHE HAS CAREFULLY READ THIS SPLIT TRUST DECLARATION FORM AND HAS TAKEN INDEPENDENT PROFESSIONAL ADVICE ON THE SUITABILITY AND TERMS OF THIS TRUST

Signed as a deed by the Settlor(s):-

1st Settlor	Signature of Settlor	
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Independent witness	Signature of Witness	Full name
	Address	
		Postcode

2nd Settlor	Signature of Settlor	
	Full name	
	Address	
		Postcode

Independent witness	Signature of Witness	Full name
	Address	
		Postcode

Signed as a deed by the Trustees:-

1st additional Trustee	Signature of Trustee	
	Full name	

I, the above named Trustee, acknowledge and accept the appointment as Trustee

Independent witness	Signature of Witness	Full name
	Address	
		Postcode

2nd additional Trustee	Signature of Trustee	
	Full name	

I, the above named Trustee, acknowledge and accept the appointment as Trustee

Independent witness	Signature of Witness	Full name
	Address	
		Postcode

3rd additional Trustee	Signature of Trustee	Full name
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I, the above named Trustee, acknowledge and accept the appointment as Trustee

Independent witness	Signature of Witness	Full name
	Address	
		Postcode

4th additional Trustee	Signature of Trustee	Full name
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I, the above named Trustee, acknowledge and accept the appointment as Trustee

Independent witness	Signature of Witness	Full name
	Address	
		Postcode

Appointment of a company as a Trustee

To be used where a Trustee is a company

Signed as a deed for and on behalf of:-

Name of Trustee company	
Signature of Director	
Signature of Director/Secretary	

The above named Trustee acknowledges and accepts the appointment as Trustee.



www.aiglife.co.uk

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AIG Life is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The registration number is 473752.

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