



Life Cover booklet

Optional feature for the Downing Estate Planning Service,
Downing AIM ISA & Downing AIM Estate Planning
Service

October 2023

Downing 

Life Cover

Life Cover is designed to mitigate the risk of having to pay inheritance tax (IHT) when your investment hasn't yet qualified for Business Relief. So if you were to pass away within two years of acquiring your shares, the insurance could cover the tax bill.

The policy covers 40% of your original gross investment upon death, subject to the conditions summarised here and in the terms & conditions document.

This is an optional cover and is subject to a charge of up to 2.25% + VAT p.a., as set out opposite.

Please note that the maximum payout on the IHT Life Cover policy is £100,000 across all Downing products (increasing to £200,000 for joint life second death cover).

For more information please read the relevant brochure and pages 15-17 of the Downing Estate Planning Service terms & conditions document which includes more details of conditions and some medical exclusions.

At a glance	Life Cover
Term	Maximum of two years
Cover	40% of the original gross investment on death
Maximum pay-out	£100,000 /£200,000 for joint life cover
Maximum age	Under 85 years at the investment date
Life Cover Charge	2.25% + VAT p.a. /1.86% + VAT p.a.*
Please note: Medical exclusions/conditions apply and this option may not be available to everyone.	

Important

The proceeds of this insurance policy are payable by Downing (as trustee) to such of your family or beneficiaries as Downing selects, taking into account the persons nominated in the application form. This should ensure that any proceeds from the insurance policy fall outside of your estate and so should not be subject to IHT. For tax implications, please refer to the terms & conditions.

For UK investors only.
Information correct as at 04 July 2023.

*Single life cover - 2.25% + VAT p.a. /joint life second death cover - 1.86% + VAT p.a. The charge is calculated on the original gross investment and is allocated annually in advance.

There will be no refund of the charge in the event of death. In the case of funds being withdrawn, pro-rata charges will be rebated to reflect the new amount invested and the sum insured will be proportionately reduced. (See the brochure and terms & conditions for details.)

A few things to remember

The maximum term of the policy is two years.

This policy covers 40% of your gross initial investment (including any initial Downing and adviser charges).

The policy pays out on death within two years of the *investment date*, subject to the conditions below.

Conditions

- You are over aged 18 years and under aged 85 years at the *investment date*.
- The maximum benefit is £100,000 (equating to a £250,000 gross investment). This limit applies for any Life Cover taken on any Downing IHT products.
- Death by suicide and assisted suicide are excluded.
- You must confirm the following:
 - Prior to the inception of the policy, I have not been diagnosed with or received any medical advice or am awaiting medical investigation or hospitalisation or surgery on any illness which I have been advised by a medical professional could reduce my life expectancy to less than 24 months.

Definitions

Investment date: each policy will start on the date of investment, which is the date shares are issued in the portfolio qualifying companies. Shares are issued twice a month.

Terminal illness: an illness that has no known cure or progressed to the point where it cannot be cured and in the opinion of a registered UK doctor the illness is expected to lead to death within two years.

If you have a life limiting illness (see section 3, Life Cover policy exclusions), you are required to seek a written opinion from a medical professional that your life expectancy is expected to exceed 24 months, with such opinion being dated within one month of the date of your application.

Further details on the Life Cover policy and general exclusions can be found in the terms & conditions document.

If you have any questions, please call us on **020 7416 7780** or email us at customer@downing.co.uk
Please note that calls may be recorded for monitoring purposes.

Important notice

This document is for information only and does not form part of a direct offer or invitation to purchase or subscribe for securities and no reliance should be placed on it. Downing does not offer investment or tax advice or make recommendations regarding investments. You should only invest based on the information contained in the relevant product literature available from Downing. Capital is at risk and returns are not guaranteed. Tax treatment depends on the individual circumstances of each investor and may be subject to change. The availability of tax reliefs depends on investee companies maintaining their qualifying status. Investments in smaller companies will normally involve greater risk or volatility than investments in larger, more established companies. Please see the relevant product literature for details; your attention is drawn to the risk factors therein. This document is issued by Downing LLP (Downing), St Magnus House, 3 Lower Thames Street, London EC3R 6HD. Downing is authorised and regulated by the Financial Conduct Authority in the United Kingdom (Firm Reference Number 545025).

Downing's Life Cover policy

Insurance Product Information document

Company: Downing LLP

This document provides a summary of the key information on the Downing Life Cover policy. Please see the terms & conditions for full pre-contractual and contractual information on this policy.

What is this type of insurance?

Under current Business Relief (BR) rules, you need to hold BR shares for two years and at the date of death for the shares to be free of IHT. The Downing Life Cover policy relieves your estate of any inheritance tax liability on shares that qualify for BR for the first two years of your investment.

The maximum investment covered is £250,000. The policy will, therefore, pay for any inheritance tax liability on your estate up to a maximum of £100,000.



What is insured?

- ✓ Death by accident
- ✓ Death by illness



What is not insured?

- ✗ Terminal illnesses or life-limiting illnesses diagnosed before the application stage unless you have a written opinion from a medical professional that your life expectancy is expected to exceed 24 months, with such opinion being dated within one month of the application
- ✗ Death by suicide and assisted suicide



Are there any restrictions?

- ! Minimum age of 18 at investment date
- ! Under the age of 85 at investment date
- ! 40% of amount initially invested, up to a maximum of £250,000. The total life insurance amount is, therefore, capped at £100,000



Where am I covered?

- ✓ Worldwide (as long as suitable medical information is available in the event of death in a foreign country).



What are my obligations?

- Maintain your premium payment. (This is facilitated by Downing - see below.)
- Read and understand the declaration in the application form. Tick the relevant box to confirm this.



When and how do I pay?

Downing facilitates premium payments annually in advance - paid for with funds realised from your investment.



When does the cover start and end?

Cover starts from the date that BR-qualifying shares are allotted to you. The cover lasts for two years, or until you: cash in all your investments; cease premium payments; cancel in writing to Downing; or death occurs.



How do I cancel the contract?

The contract is automatically cancelled when your investment qualifies for BR; or you cash in all your investments; or you write to Downing to cancel the policy.