

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other similar products.

## Product: LifeStar 102 Plan

**Manufacturer:** LifeStar Insurance Limited

**Regulator:** Malta Financial Services Authority

**Website:** [www.lifestarinsurance.com](http://www.lifestarinsurance.com)

**KID Production Date:** 15/11/2020

**Telephone no:** Call +356 21 342 342 for more information



**You are about to purchase a product that is not simple and may be difficult to understand.**

## What is this product?

**Product Type:** The LifeStar 102 Plan is a Single Premium Life Insurance, based with-profits investment plan.

### Objectives:

- The LifeStar 102 Plan is a long-term single premium life insurance, designed to allow the policyholder to participate in the profits generated by the with-profits fund, which invests in a wide range of financial instruments, such as local and international equities, Malta Government stock, local property, local and international bonds, cash and other suitable instruments, managed in-house.
- The aim of the fund is to ensure sustainable growth, tax efficient returns whilst maintains a level of capital protection, as long as the product is kept until maturity.
- LifeStar declares the with-profits bonus rate annually in arrears and is based on the performance of the with profits fund. Once the bonus rate has been added, it cannot be taken away, as long as the policy is kept until maturity. Detailed information regarding the policy account is provided in the yearly statement.
- The plan allows you to pay a single premium of minimum 5,000 Euro, for existing clients and minimum 10,000 Euro for new clients. This plan's a maturity date cannot exceed 80 years of age of the Life Insured at maturity.
- The Minimum term is 5 years and the maximum term is 10 years; however this is a long term investment and early withdrawals, whether in full or part, are subject to surrender charges as outlined in this document. Any withdrawals made throughout the lifetime of the policy will affect the lump sum you will receive on maturity.

**Intended Retail Investor:** This product is intended for a retail customer who:

- Would like to save an amount of money and doesn't have past experience with this type of product, but understands notions about capital market.
- Needs protection in case of the death event and capital protected investment with a medium to long term holding period.
- Is aged minimum 18 years old at policy commencement date.

Before purchasing this plan your intermediary will ask you a set of questions to verify that this plan meets your objectives and falls in line with your risk and reward appetite.

**Plan Benefits:** This is a life insurance product and insurance benefits may become payable during the term. These benefits are outlined below:

**a) Death Benefit:** In the event of death of the Life Insured, or the first Life Insured in case of a Joint Life policy, the company shall pay to the Policyholder or the beneficiary, as applicable, an amount equal to the Policy Account at the date of death plus the Sum Insured shown in the Schedule. In the event that the Life Insured dies as a result of suicide during the first two Policy Years, irrespective of his mental condition at the time, the only benefit payable by the Company shall be an amount equal to the Policy Account at the date of death.

**b) Maturity Benefit:** On the survival of the Life Insured to the Maturity Date, the Company will pay the appropriate Beneficiary the value Maturity Benefit to the Policyholder or the beneficiary, as applicable, at the Maturity Date. Interest on the Policy Account shall accrue on a daily basis at a technical rate determined by the Company's actuary. If the policy is in force, on the 31st December of every year, the difference (if any), between the Reversionary Bonus Rate declared by the Company in consultation with its Actuary, and the technical rate will be added to the Policy Account.

**c) Surrender Benefit:** You may select to withdraw all your policy value, or part thereof, from your plan at any time however before doing so please refer to the surrender charges that may apply in your policy document. These charges are also explained in the section hereunder entitled "How long should I hold it and can I take money out early?"

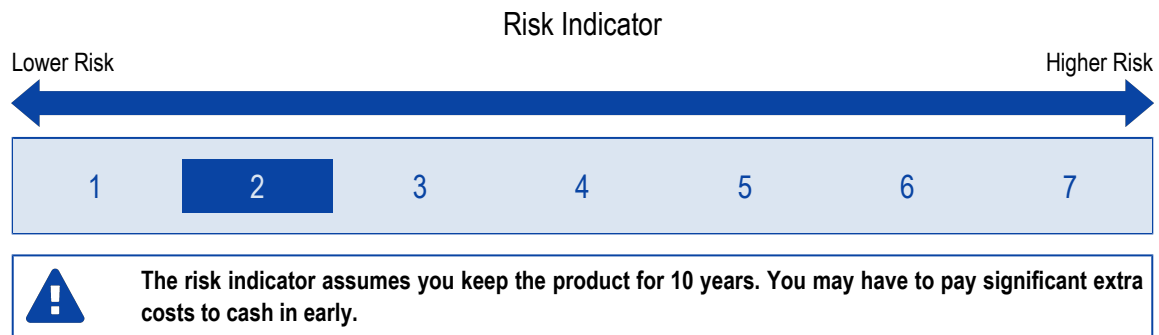
**d) Annual bonus:** At the inception date of the Policy, the Policyholder may take up the option to automatically surrender an amount equal to the bonus amount declared on the Policy for the preceding calendar year only. This option will apply for the whole duration of the contract. The payment will be made following the Company's Annual Bonus Declaration and the subsequent provision of the Yearly Statement. No surrender charge shall apply with respect to such bonus withdrawal. The bonus rate may change at any time but once declared, all bonuses are guaranteed if the plan is held till Maturity or on the Death of the Life Insured.

**e) Beneficiaries:** You can select who will receive the benefit in the event of your death.

**f) Contract Clause:** LifeStar Insurance Limited contracts are Maltese contracts for all effects and purposes, and shall be governed by and according to Maltese Law.

**Term of PRIIPs:** Is the expiry date of the insurance policy. The product duration is set at policy inception and can be between 5 to 10 years. LifeStar Insurance cannot terminate a policy once it has been issued unless false or misleading information was given during the application stage. If this is not the case then the termination/redemption of the policy is at the sole discretion of the Policy Holder/s. In the event that the Policy Holder wishes to terminate the policy then this can be done at any time during the life time of the policy, provided that the documentation requested is submitted, or on the maturity date of the policy which is illustrated in the policy schedule.

## What are the risks and what could I get in return?



- The Summary Risk Indicator, seen hereunder, is a guide to the level of risk of this plan carries when compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are unable to pay.
- We have classified this fund in risk category 2 (out of 7), which is considered a low risk class. This rates the potential losses from future performance at a low level. The lowest category does not mean a risk free investment.
- The product may include early exit penalties, which are described in the section "How long should I hold it and can I take my money out early?".

### Performance Scenarios

**Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be higher or lower.**

Investment [€ 10,000]		1 year	5 years	10 years
Insurance Premium [€ 0]				
Scenarios				
Survival Scenarios				
Stress scenario	<b>What you might get back after costs</b>	<b>€ 9,318.31</b>	<b>€ 9,918.26</b>	<b>€ 10,201.36</b>
	Average return each year	-6.82%	-0.16%	0.20%
Unfavourable scenario	<b>What you might get back after costs</b>	<b>€ 9,318.31</b>	<b>€ 11,716.67</b>	<b>€ 14,399.72</b>
	Average return each year	-6.82%	3.22%	3.71%
Moderate scenario	<b>What you might get back after costs</b>	<b>€ 9,854.47</b>	<b>€ 13,102.73</b>	<b>€ 16,888.48</b>
	Average return each year	-1.46%	5.55%	5.38%
Favourable scenario	<b>What you might get back after costs</b>	<b>€ 10,420.61</b>	<b>€ 14,782.68</b>	<b>€ 19,986.41</b>
	Average return each year	4.21%	8.13%	7.17%
Death scenarios				
Insured event	<b>What your beneficiaries might get back after costs</b>	<b>€ 11,711.38</b>	<b>€ 14,102.73</b>	<b>€ 17,888.48</b>

- The figures in this example are calculated for a LifeStar 102 Plan product, with 10 years duration and 10,000 Euro single premium.
- The risk premium (cost of insurance) for this example is 0% from the single premium.
- The scenarios show the possible performance of your investment (different scenarios: crisis, unfavourable, moderate and favourable), comparable to other products. Premiums payment affect the yield of the present PRIIP.
- The crisis scenario shows the amount you might receive in extreme situations and does not take into account that LifeStar Insurance is unable to pay. The shown scenarios are an estimation of future fund performance, based on past results and do not represent an exact indicator.
- The presented figures contain all product costs, including your distributor's commission.

## What happens if LifeStar Insurance Limited is unable to pay out?

In the event of insolvency whereby the Company is unable to meet its obligations to your policy, you as the Policy Owner may be entitled to compensation under the "Protection and Compensation Fund". This Fund is regulated by the Protection and Compensations Fund Regulations 2003 issued under the Insurance Business Act (Cap. 403).

## What are the costs?

The Company shall charge a number of fees as outlined in this section which are comprised of "one-off costs, ongoing costs & incidental costs". The Reduction in Yield (RIY) shows the impact of these fees based on the three (3) holding periods provided and any early exit charges are included. The figures are estimative and may change in the future.

## Cost over time

The following illustration is based on a Life policy with a single premium of 10,000 Euro.

Investment [€ 10,000]			
Scenarios	If you cash in after 1 year	If you cash in after 5 years	If you cash in after 10 years
<b>Total costs</b>	<b>€ 932.42</b>	<b>€ 441.75</b>	<b>€ 976.91</b>
<b>Impact on return (RIY) per year</b>	9.32%	0.79%	0.76%

## Composition of costs

The table above indicates the annual impact due to different costs applied to your investment and the meaning of each cost. The person presenting you this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that costs may have on your investment.

This table shows the impact on return per year			
<b>One-off costs</b>	<b>Entry costs</b>	<b>0.00%</b>	The impact of the costs you pay when entering your investment.
	<b>Exit costs</b>	<b>0.00%</b>	The impact of the costs of exiting your investment when it matures.
<b>Ongoing costs</b>	<b>Portfolio transaction costs</b>	<b>0.00%</b>	The impact of the costs of us buying and selling underlying investments for the product.
	<b>Other ongoing costs</b>	<b>0.76%</b>	The impact of the costs that we take each year for managing your investments.

## How long should I hold it and can I take money out early?

### Recommended holding period: 10 years

The product is designed as a long term investment, so the minimum holding period recommended is 10 years. Once the policy starts you have 30 days to cancel your policy whereby the premium paid will be refunded; this is commonly known as the "cooling off" period. In case the policy is not paid at scheduled due dates, the protection in case of death stops. In the event that you need to access your policy account value earlier than the maturity date, surrender charges will apply as a percentage of the Cash Surrender Value (for partial surrenders) or of the Policy Account Value (for full surrenders), depending on the policy year, for partial or full withdrawals, as it follows: 10% in year 1, 8% in year 2, 6% in year 3, 3% in year 4 and 2% in year 5. No Terminal Bonus is payable by us on surrendered policies. Further details can be found in the Terms and Conditions of the contract.

## How can I complain?

We are committed to providing you with a high level of service. If for any reason you are unhappy with the service you have received, we will be pleased to try to resolve your complaint. Firstly, you should contact your intermediary and explain your complaint. Most matters can be resolved in this manner. If you wish to take the subject further, please write to the Complaints Manager at the Company's registered address or by email to [complaints@lifestarinsurance.com](mailto:complaints@lifestarinsurance.com). In the unlikely event that you still feel aggrieved even after this step, you also have the right to refer your dispute to the Office of the Arbiter for Financial Services, at First Floor, St Calcedonius Square, Floriana FRN1530, where the final decision will be taken. Making a complaint will not affect your legal rights. The full detail of the complaints process can be found in the Complaint Policy document available on our website: <https://www.lifestarinsurance.com/complaint-procedure/>

## Other relevant information

For more information about this product please refer to our website <https://lifestarinsurance.com/services/102-plan/>.

The current document was drafted according to the Commission Delegated Regulation (EU) 2017/653.