Gift Inter Vivos

Product Profile

In this document we outline the relevant product information about LV= Gift Inter Vivos, required for distributors. We set out the product's target market, distribution strategy, main features, limits, suitability, risks, options and costs, and the outcome of our fair value assessment.

For full details of the terms and conditions of the policy, please refer to the Gift Inter Vivos policy conditions.

Target market

This product is aimed at clients who have gifted assets to someone other than a spouse and want to provide a lump sum to cover any inheritance tax liability on a Potentially Exempt Transfer (PET) that is over the nil rate band for inheritance tax. The person who receives the gift would have to pay any tax due and gifts can be liable for inheritance tax for up to seven years.

This product is a seven year single life decreasing term assurance policy which provides a one-off lump sum payment and the amount of cover reduces each year in line with the inheritance tax liability.

Distribution

To ensure your clients receive the right level of protection, we believe this product should be sold on an advised basis, face to face or over the phone.

It's important to regularly review your client's circumstances and protection needs to make sure their cover is appropriate.

Main features

- Pays a cash lump sum on death during the term.
- Decreasing cover over the seven year term.
- Guaranteed premiums.

What is not covered

- We won't pay a claim if your client dies as a result of intentionally taking their own life in the first 12 months of the policy.
- This policy is not suitable for clients who want to cover themselves against a critical illness or protect their income should they be unable to work due to accident and sickness.
- This policy is not suitable for a client who has made a PET that is below the nil rate band (or when that gift is added to gifts the made in the last 7 years the total is still below the nil rate band).

Risks

- There is no cash in value at any time.
- After the plan has been issued, your client can't change it.
- If your client stops paying their premiums, their cover may cease.

To apply clients must be:

- Permanently living in the UK.
- Aged between 17 and 79.

Limits and basis

- The policy has a set term of seven years.
- The policy must end before the person insured reaches the age of 86.
- Clients can only take out a policy on a single life basis.
- An own life Gift Inter Vivos policy should normally be written in trust, or the policy should be set up on a life of another basis.
- If the policy is written under trust or taken out on a life of another then the proceeds on death won't normally form part of an estate for inheritance tax purposes.
- If the policy is set up on an own life basis and not written in trust the amount of cover paid on death will be added to the deceased's estate and may be subject to inheritance tax.
- How much tax your client pays depends on their personal circumstances. Any tax references are based on our understanding of the current legislation and HM Revenue & Customs practice, which can change.

Fair value assessment

We have assessed our Gift Inter Vivos cover, including options and additional benefits, as providing fair value for customers within the target market, for whom the product is suitable.

We will regularly assess the product to ensure that it continues to provide fair value and meets with the requirements of the intended target market.

What we take account of when assessing fair value

When assessing fair value, we look at:

- the target market, its needs and objectives
- the expected proportion of vulnerable customers in the target market
- the product's benefits and limitations, and what services we provide
- the distributors/channels we use
- the expected overall premium
- how much it costs to provide the product and distribute it over a reasonably foreseeable period.
- the relationship between the overall price to our customers and the quality of the product and service provided.

What information do we use to assess fair value?

- The proportion of premiums that go towards providing the amount of cover.
- How long our claims process takes from start to finish.
- What percentage of claims we pay out and if not, why not. Information of claims stats can be found here **LVadviser.com/supporting-you/claims**
- How many complaints there are and the proportion we uphold.

Other considerations

We consider the levels of commission we pay and, where we are able to access the details, how much distributors charge their customers for the services they provide.

Distributors will need to consider the impact of any other costs they charge when undertaking their own fair value assessments.

LV= Gift Inter Vivos

This table shows you who the product is designed to meet the demands and needs of, and provides fair value for. It also shows who it is not designed for, and doesn't provide fair value for.

This product is suitable for	This product is not suitable for
✔ People wanting to provide the recipient of a Potentially Exempt Transfer (PET) cover for any potential inheritance tax that would be due on the gift that is above the nil rate band if they were to die within 7 years of making it.	✘ Those who have made PETs that are below the nil rate band (or if the PET when added the cumulative total of gifts made in the last 7 years is still less than the nil rate band).
✔ People who have made a PET above the current nil rate band, or they have already used their nil rate allowance for gifts made in the previous 7 years.	✘ Those who have made a PET previously (as the term of the policy is set at 7 years, so it won't cover gifts previously made).
✔ Clients wanting to guaranteed premiums; payable as either monthly, quarterly, yearly or single payments.	✘ Those who have gifted to a spouse.
✔ Those whose need for cover expires before they reach age 86 as this is the maximum age at which the policy can end.	✘ Covering the inheritance tax liability due on assets other PETs.
✔ Clients who want own life cover, or life of another cover.	✘ Those who are looking for joint life cover.

Options and additional benefits

Benefits of being an LV= member: By taking out this product your client will agree to become a member of Liverpool Victoria Financial Services Limited (LV=). As LV= is a mutual we are owned by our members, which means our members have a say on how the company is run. Our members also get access to a range of LV= benefits. To see the full range, and any conditions that may apply, visit **LV.com/benefits**.

LV= benefits are non-contractual and can be changed or removed at any time.

LV= Doctor Services: All new policyholders have access to a number of medical services and advice, which can be accessed via one simple app or phone call. These include 24/7 virtual GP consultations and prescription services, second opinion, remote physiotherapy, remote psychological services and discounted health MOTs. These benefits are non-contractual and can be changed or removed at any time, and conditions apply. For more details visit **LV.com/benefits**.

LV= Doctor Services is provided by Square Health Limited. This service is not regulated by the Financial Conduct Authority or Prudential Regulation Authority.

Costs

The policy premium also includes a fee, which is a fixed monthly amount, to cover administration and support costs.

To find out more, please contact your LV= Account Manager on

0800 678 1890

Or visit **LVadviser.com**

If you'd like us to send you this document or any future correspondence in another format, such as Braille or large print, please just let us know.

42282-2024 02/24