

Your guide to how we manage the

# Teachers Assurance Fund for with-profits business



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## 1 Introduction

This guide explains how we look after the with-profits business within the Teachers Assurance Fund (TA Fund).

You'll find important information about how the policies invested in the fund work – and how we manage them. At the end of this guide there is a helpful glossary of some of the financial and insurance terms we've used.

This document covers all conventional with-profits policies and unitised with-profits policies invested in the fund. The unitised policies are as follows:

- Teachers Anniversary Bond
- Tax Exempt Savings Plan
- Tax Free Savings Plan
- Regular Savings Plan
- Guaranteed Savings Plan
- Guaranteed ISA (also known as Guaranteed NISA)
- Guaranteed Growth Bond
- Guaranteed Growth ISA (also known as Guaranteed Growth NISA)

To put this guide into context, it might help to read it with your:

- Key Features
- Policy Conditions
- Personal Illustration showing what you might get back in the future
- Annual statement or bonus notice

Please keep this guide safe along with your other policy documents.

## 2 Background information about the Teachers Assurance Fund

The TA Fund holds the with-profits policies and inherited estate transferred from Teachers Provident Society Limited (TPS, known as Teachers Assurance) to Liverpool Victoria Friendly Society Limited (LV=). The policies in the TA Fund and its assets are held separately from the rest of LV=.

The transfer was a result of a strategic review in which the TPS Board considered how best to position TPS in the future in order to deliver the greatest value to its members and policyholders. As part of the deal, TPS was closed to new business and its in-force business was transferred to LV= on 1 June 2016.

There aren't any shareholders in the TA Fund – which means that we use all the profits to benefit TA Fund with-profits policyholders. TA Fund with-profits policyholders are also members of LV= which is a mutual organisation and are entitled to a range of member benefits. Please refer to [www.LV.com/members](http://www.LV.com/members) which describes these benefits. However TA Fund with-profits policyholders are not eligible to participate in LV='s own Mutual Bonus scheme, though they are eligible for any special bonus distributions from the TA Fund.

## 3 What's the Teachers Assurance Fund?

The TA Fund is an investment fund where we combine your money with other investors' money, and manage it on your behalf.

The asset management of the TA Fund, other than some of its property investments, is currently undertaken on our behalf by BlackRock Investment Management Limited. They are responsible for the day-to-day management of the assets, operating in accordance with our investment strategy.

The investment performance of the TA Fund and the outlook for different types of asset are regularly monitored. We also review our investment strategy in detail at least every three years, with less detailed reviews typically being performed annually.

Our aim is to maximise long-term returns subject to ensuring that we can meet our obligations to policyholders and to remaining financially strong. In order to manage this we split the assets of the TA Fund into two pools of assets as follows;

- The with-profits fund, which invests in a wide range of assets. We use this to help determine the main benefits under your with-profits policy.
- A separate fund which includes the 'inherited estate' and your allocation of special bonus.  
This fund has a long-term investment strategy of investing in a mix of fixed-interest securities and cash.

The with-profits fund is the continuation of the pool of assets TPS used to help determine policy benefits prior to the transfer to LV=. A sub-section of this fund is divided into units. Premiums paid under unitised with-profits policies (excluding Teachers Anniversary Bonds) buy units, the value of which grows in line with the value of the backing asset mix.

It is our intention to invest the with-profits fund in a wide range of investments including:

- shares of UK and overseas companies (equities)
- fixed-interest investments such as UK government bonds and UK and overseas corporate bonds
- commercial property
- cash

This is so that if one asset class performs poorly, the returns on other asset classes may compensate. This is known as diversifying our investments. You can see the actual mix of investments in the with-profits fund (together with the target mix and ranges within which the mix can operate) on our website at [www.LV.com/teachers](http://www.LV.com/teachers).

Over the longer-term, equities and property investments have tended to out-perform other forms of investment; we therefore aim to have a high percentage of these types of investment in the with-profits fund. However, when we assess the appropriateness of the mix of assets this may mean that at certain times the percentage held in equities and property could be lower than the target levels, potentially down to zero.

#### 4 What's the aim of the Teachers Assurance Fund?

First and foremost, we want to give you a fair return on your investment in the with-profits fund, allowing for any guaranteed benefits and (if applicable) the smoothing process. To do this we use something called asset shares (which are explained in the next section) to help determine what amount to pay as your main benefit under your policy.

Any previously declared special bonus is added when you claim. The special bonus is explained in section 9.

We have different groups of policyholders invested in the fund – with different policies started at different times, and with different terms. We always try to treat policyholders fairly when there are any conflicting interests between them.

#### 5 How do we calculate the return on the main benefits under your policy?

This differs by the type of with-profits policy in the TA Fund. Different policy types also have different guarantees.

For some policies, if affordable, we add annual bonuses which increase the guarantees under your policies.

For some policies we may add a final bonus (or apply a market value reduction) to ensure you receive a fair payout.

For some policies we use a process called smoothing to help protect our with-profits policyholders from sudden changes in the value of the investments in the with-profits fund. However, smoothing cannot protect with-profits policyholders against long-term poor investment returns.

Further details of these for each policy type are in the section below. **You only need to read the section applicable to your policy or policies.**

## 5.1 Conventional with-profits policies

### How do we decide the return on your policy?

Each conventional with-profits policy has a sum assured which was determined when you took the policy out, and depended on the premium you agreed to pay, the term of your policy, your age and your sex. Providing you continue to pay premiums for the agreed period or until your death, the sum assured is guaranteed. We aim to increase the sum assured each year by adding annual bonuses (sometimes called 'reversionary bonuses'), which, once added, cannot be taken away unless you stop paying premiums. On your death, or at maturity if you have a savings policy, the guaranteed benefits (the sum assured and annual bonuses), and possibly a final bonus, are paid.

For conventional with-profits policies the asset share is the amount of the premiums paid, less the cost of providing benefits and the expenses incurred in relation to your policy, increased by the addition of the actual investment return achieved by the with-profits fund, adjusted for tax where relevant. Various adjustments are made to the asset share to reflect previous distributions of the TPS inherited estate (called special mutuality bonus, which also increased guaranteed benefits) or to reflect profits arising in 2014 made by TPS (called mutuality bonus).

At maturity, we aim to pay out between 85% and 115% of asset share under your policy. Over the long term we aim that maturity payouts will average 100% of asset share. On surrender we aim to pay out between 80% and 120% of asset share. Any previously declared special bonus is added on claim, as described in section 9.

### How do we decide what annual bonuses should be?

For conventional with-profits policies we aim to review annual bonus rates once a year. In deciding what annual bonus rates to set, we look at actual and anticipated investment returns on UK government bonds held by the TA Fund.

In helping us to decide what level of annual bonus can be declared, our aim is that the guaranteed benefits do not form an unduly large proportion of asset shares of policies, in order to help us maintain the financial strength of the TA Fund.

We currently declare two annual bonus rates each year, one as a percentage of your sum assured, and the other as a percentage of your previous annual bonuses. Once added, annual bonuses are guaranteed to be paid on death or maturity (unless you stop paying premiums early).

We aim not to alter annual bonus rates by more than 1.5% in a twelve month period. Annual bonus rates may be reduced to zero.

You will receive a bonus certificate or statement each year which will show the annual bonuses that have been added to your policy.

### How do we decide what final bonuses should be?

A final bonus (sometimes called 'terminal bonus') may be paid on your death or (if your policy is a savings policy) when your policy matures. Final bonuses are reviewed at least annually although normally they are reviewed more frequently. Rather than work out the value of each individual policy we look at groups of similar policies to decide the level of final bonuses to pay.

The aim of a final bonus is to increase the current value of your policy so that it is approximately equal to the asset share. We look at the sum assured plus annual bonuses previously declared on your policy, and if this amount is less than the corresponding asset share we may top up the payout with a final bonus. However, if previous annual bonuses mean that the sum assured plus annual bonuses is more than the corresponding asset share, we may decide that no final bonus is payable. It is important to realise that a final bonus is not guaranteed.

### How do we use smoothing?

We use smoothing to help protect our with-profits policyholders from sudden changes in the value of the investments in the with-profits fund. We therefore aim to limit the change in maturity amounts of similar conventional with-profits policies from one year to the next to 10%, subject to meeting the guaranteed benefits of the policies. During periods of exceptional circumstances the change in payouts may exceed this percentage in order to treat all policyholders fairly and equitably. Surrender value payments may be smoothed to a lesser extent than maturity payments. The amount we pay out may be higher or lower than the corresponding asset share, however in the long term the effect of smoothing is expected to be neutral.

## 5.2 Teachers Anniversary Bond

### How do we decide the return on your policy?

This is a unitised whole-of-life single premium with-profits policy. Your money buys units in the with-profits fund. These units increase in value in line with the annual bonus rate declared by us.

The asset share is the amount of premium you have invested, less the cost of providing benefits and the expenses incurred in running your policy, increased by the addition of the actual return achieved by the with-profits fund, adjusted for tax. Various adjustments are made to the asset share (and to your units) to reflect previous distributions of the TPS inherited estate (called special mutuality bonus, which also increased guaranteed benefits) or to reflect profits arising in 2014 made by TPS (called mutuality bonus).

If the asset share is greater than the value of your units then a final bonus will usually be added on surrender or your death. If there is a significant fall in the value of our investments and the asset share is less than the value of units, then a market value reduction may be applied to decrease your surrender payout (except on the tenth policy anniversary). On surrender in the first five years your payout is reduced by an early encashment charge.

On death we guarantee no market value reduction will apply and pay the higher of a) 101% of the value of your units plus any final bonus and b) the premium paid less any withdrawals taken.

Any previously declared special bonus is added on claim, as described in section 9.

### How do we decide what annual bonuses should be?

The annual bonus rate is decided at the start of the year. In deciding what annual bonus rates to set, we look at actual and anticipated investment returns on UK government bonds held by the TA Fund. The rate increases the value of your units steadily over the year and so increases the guaranteed benefits payable on death or on the tenth policy anniversary.

In helping us to decide what level of annual bonus can be declared, our aim is that the guaranteed benefits do not form an unduly large proportion of asset shares of policies, in order to help us maintain the financial strength of the TA Fund. We aim not to alter annual bonus rate by more than 1.5% per annum from year to year. Annual bonus rates may be reduced to zero.

You will receive a statement each year that will show the current value of your units which includes the effect of annual bonuses that may have been added to your policy.

### How do we decide what final bonuses and market value reductions should be?

At claim when the asset share is greater than the current value of your units, a final bonus is usually added. This is to ensure that your total payout (the current value of your units plus the final bonus) is approximately equal to the asset share. It is important to realise that a final bonus is not guaranteed.

Similarly, when the asset share is less than the current value of your units, a market value reduction can be applied. This would mean that your total payout (current value of your units less the market value reduction) is approximately equal to the asset share. We apply a market value reduction to protect the policyholders who remain invested in the TA Fund, making sure that claim amounts are not higher than the value of a fair share of the investments. However, we promise not to apply a market value reduction on:

- the tenth policy anniversary of the Bond
- death
- regular withdrawal payments up to 5% of the original single premium, unless a market value reduction was being applied at the time the regular withdrawals commenced.

On surrender we aim to pay out between 85% and 115% of asset share under your policy, less any early encashment charge. Over the long term we aim that payouts under these policies will average 100% of asset share.

### How do we use smoothing?

Smoothing is not used for this policy.

### 5.3 Tax Exempt/Tax Free Savings Plans sold during 2005-6 and Regular Savings Plans

#### How do we decide the return on your policy?

These are regular premium unitised with-profits policies with fixed terms. Your money buys units in the unitised sub-section of the with-profits fund. A proportion of each premium you pay is used to buy units in the fund. The value of the units then grows or reduces in line with the investment return (net of fund charges) on the assets in the fund, adjusted for tax where relevant. The value of your units is designed to represent the asset share of the policy and is used to determine the main benefits under your policy. Where eligible, extra units have been added (with additions to annual bonuses) to reflect previous distributions of the TPS inherited estate (called special mutuality bonus) or to reflect profits arising in 2014 made by TPS (called mutuality bonus).

On surrender we pay the value of your units (i.e. 100% of the asset share). You will receive a statement each year that will show the value of your current number of units and the current guaranteed amount.

Higher benefits may be paid on maturity or death provided you have paid all your premiums.

At maturity we pay the highest of a) the value of your units, b) the smoothed value of your units (as defined below), and c) the guaranteed amount (total premiums paid with annual bonuses added).

On death we pay the highest of a) the value of your units, b) the guaranteed cash sum (total premiums payable over the term of the policy) and c) the guaranteed amount (total premiums paid to date with annual bonuses added).

Any previously declared special bonus is added on claim, as described in section 9.

#### How do we decide what annual bonuses should be?

The annual bonus rate is reviewed quarterly. In deciding what annual bonus rates to set, we look at actual and anticipated investment returns on UK government bonds held by the TA Fund. The rate increases the value of your units steadily over the year and so increases the guaranteed benefits payable on death or maturity.

In helping us to decide what level of annual bonus can be declared, our aim is that the guaranteed benefits do not form an unduly large proportion of asset shares of policies, in order to help us maintain the financial strength of the TA Fund. We aim not to alter annual bonus rates by more than 1.5% per annum from year to year. Annual bonus rates may be reduced to zero.

#### How do we decide what final bonuses should be?

These policies do not have a final bonus added at claim as the current value of your units in the with-profits fund already represents your asset share.

#### How do we use smoothing?

When these policies mature we calculate a smoothed version of the value of your units by averaging the unit price over the previous two years. If this turns out to be higher than the current value of your units, then we pay you the higher amount instead. This has the effect of protecting you from sudden falls in the value of the investments in the with-profits fund just before maturity. An explicit charge for smoothing payouts (and providing guaranteed benefits) is included in the fund charges we take. Smoothing is not used on death and surrender claims.

## 5.4 Tax Exempt/Tax Free Savings Plans sold from 2007 and Guaranteed Savings Plans

### How do we decide the return on your policy?

These are regular premium unitised with-profits policies with fixed terms. Your money buys units in the unitised sub-section of the with-profits fund. A proportion of each premium you pay is used to buy units in the fund. The value of the units then grows or reduces in line with the investment return (net of fund charges) on the assets in the fund, adjusted for tax where relevant. The value of your units is designed to represent the asset share of the policy and is used to determine the main benefits under your policy. Where eligible, extra units have been added to reflect previous distributions of the TPS inherited estate (called special mutuality bonus) or to reflect profits arising in 2014 made by TPS (called mutuality bonus).

On surrender we pay the value of your units (i.e. 100% of the asset share), except in the first five years the units added for any mutuality bonus, special mutuality bonus and any matched premiums are excluded. You will receive a statement each year that will show the value of your current number of units.

Higher benefits may be paid on maturity or death provided you have paid all your premiums.

At maturity we pay the highest of a) the value of your units, b) the smoothed value of your units (as defined below) and c) the guaranteed amount (total premiums paid).

For Tax Exempt/Tax Free Savings Plans, on death we pay the higher of a) the value of your units and b) the guaranteed amount (total premiums payable over the term of the policy).

For Guaranteed Savings Plans, on death we pay the higher of a) the value of your units and b) the guaranteed amount (total premiums paid).

Any previously declared special bonus is added on claim, as described in section 9.

### How do we decide what annual bonuses should be?

These policies do not have annual bonuses.

### How do we decide what final bonuses should be?

These policies do not have a final bonus added at claim as the current value of your units in the with-profits fund already represents your asset share.

### How do we use smoothing?

When these policies mature we calculate a smoothed version of the value of your units by averaging the unit price over the previous two years. If this turns out to be higher than the current value of your units, then we pay you the higher amount instead. This has the effect of protecting you from sudden falls in the value of the investments in the with-profits fund just before maturity. For policies sold from September 2012 an explicit charge for smoothing payouts (and providing guaranteed benefits) is included in the fund charges we take. Smoothing is not used on death and surrender claims.



## 5.5 Guaranteed ISA

### How do we decide the return on your policy?

This is a unitised whole-of-life with-profits policy. A proportion of your premium(s) is used to buy units in the unitised sub-section of the with-profits fund. The value of the units then grows or reduces in line with the investment return (net of fund charges) on the assets in the fund. The value of your units is designed to represent the asset share of the policy and is used to determine the main benefits under your policy.

Where eligible, extra units have been added (and guaranteed benefits were increased) to reflect previous distributions of the TPS inherited estate (called special mutuality bonus) or to reflect profits arising in 2014 made by TPS (called mutuality bonus).

On surrender we pay the value of your units (i.e. 100% of the asset share), except on the sixth policy anniversary and then every subsequent fifth anniversary where, if higher, we would pay the premium(s) paid adjusted for any withdrawals taken. You will receive a statement each year that will show the value of your current number of units.

On death we pay the higher of a) 101% the value of your units and b) the premium(s) paid adjusted for any withdrawals taken.

Any previously declared special bonus is added on claim, as described in section 9.

### How do we decide what annual bonuses should be?

These policies do not have annual bonuses.

### How do we decide what final bonuses should be?

These policies do not have a final bonus added at claim as the current value of your units in the with-profits fund already represents your asset share.

### How do we use smoothing?

Smoothing is not used for this policy.

## 5.6 Guaranteed Growth Bond and Guaranteed Growth ISA

### How do we decide the return on your policy?

These are unitised with-profits policies with fixed terms. A proportion of your premium(s) is used to buy units in the unitised sub-section of the with-profits fund. The value of the units then grows or reduces in line with the investment return (net of fund charges) on the assets in the fund, adjusted for tax where relevant.

The value of your units is designed to represent the asset share of the policy and is used to determine the main benefits under your policy. Where eligible, extra units have been added (and guaranteed benefits were increased) to reflect previous distributions of the TPS inherited estate (called special mutuality bonus) or to reflect profits arising in 2014 made by TPS (called mutuality bonus).

On surrender we pay the value of your units (i.e. 100% of the asset share). You will receive a statement each year that will show the value of your current number of units.

On maturity we pay the higher of a) the value of your units, and b) the guaranteed amount under your policy adjusted for any withdrawals taken (if allowed).

On death we pay the higher of a) the value of your units, and b) the premium(s) paid adjusted for any withdrawals taken (if allowed).

Any previously declared special bonus is added on claim, as described in section 9.

### How do we decide what annual bonuses should be?

These policies do not have annual bonuses.

### How do we decide what final bonuses should be?

These policies do not have a final bonus added at claim as the current value of your units in the with-profits fund already represents your asset share.

### What is smoothing?

Smoothing is not used for these policies.

## 6 What expenses are charged to the Teachers Assurance Fund?

As with any investment, there are certain costs involved in setting up and looking after a with-profits policy. Types of expenses include:

- policy administration expenses, for example collecting premiums or paying claims
- investment management fees
- sales and marketing costs (incurred by TPS)

As part of the arrangement when the TA Fund was transferred to LV=, there are limits on the amount of administration expenses that can be charged to the TA Fund by LV= until 31 May 2027. There is also a further limit on the expenses actually charged to asset shares for conventional with-profits policies and the Teachers Anniversary Bond. Expenses up to 31 May 2016 included in the asset shares for these policies are those set by TPS.

For unitised with-profits policies (except the Teachers Anniversary Bond) the charges taken to cover expenses are those which are set out in your key features document and policy conditions. The charges include any deductions from premiums paid as well as fund-based charges which may also include the cost of providing the guarantees and any smoothing under these policies. We have the right to vary charges on unitised with-profits policies in some circumstances.

## 7 How do we decide what business risks to take?

As a condition of the transfer to LV=, the TA Fund won't take on any new business risks or have exposure to profits and losses arising from any other part of the LV= Group.

However the TA Fund still encounters many risks through its day-to-day activities and the decisions it makes. It is our responsibility to ensure that these risks are well managed, and do not endanger the financial position of the TA Fund. Profits or losses may arise from business risks within the TA Fund, which include:

- the operation of smoothing and guarantees
- surrenders
- unexpected expenses
- policyholder compensation costs, including for any mis-selling prior to 1 June 2016
- fluctuations in investment returns earned on the assets in the inherited estate

These profits or losses are borne by, and hence affect, the TA Fund inherited estate.

## 8 What's the 'inherited estate' and how do we use it?

The inherited estate is the amount of money built up from profits from the TA Fund (and previously TPS) that are in excess of a realistic assessment of the liabilities of the TA Fund.

We're distributing the TA Fund inherited estate over the remaining lifetime of the eligible with-profits policies as special bonus. It's also used to support the fund and its day-to-day operations in a number of ways, including:

- safeguarding the financial strength of the TA Fund
- to help us smooth with-profits policy payouts
- to give us more freedom to invest in ways we believe will offer better returns
- to provide working capital

If the inherited estate reduced to a level below which it would be difficult to manage the TA Fund effectively, then we might change the way we invest the fund and apply any smoothing or we might reduce or remove special bonus.

## 9 What's special bonus?

An initial distribution of the TA Fund inherited estate to with-profits policyholders was declared as special bonus following the completion of the transfer, calculated as a percentage of the asset share on 1 June 2016.

Each year the LV= Board of Directors consider whether it is appropriate to make any additional distributions of the TA Fund inherited estate. If one is made it would be calculated as a percentage of the asset share and the value of the special bonus at that time, and would increase the special bonus. Any additional special bonus is normally added on a quarterly basis.

The special bonus is invested in a separate part of the TA Fund which also includes the TA inherited estate, and will increase or decrease in line with the investment returns earned on the assets in that part of the TA Fund. The investment return also reflects a deduction for investment management fees and, if appropriate, for taxes incurred. The value of special bonus added to the main benefit payable at claim is determined in the following manner:

- For conventional with-profits policies, the special bonus added to the amount payable at claim is reviewed quarterly. It is added by increasing the final bonus that otherwise would be paid or, if only guaranteed benefits are paid, by adding a final bonus.
- For unitised with-profits policies, declared special bonus is allocated to a separate series of 'estate' units for each policy and the current value of these units is added to the amount payable at claim without any smoothing applied.

Special bonus cannot be paid out prior to the claim that terminates the policy.

It is important to realise that special bonus is not guaranteed. If the TA Fund inherited estate is excessively reduced or in adverse market conditions, future distributions of special bonus may be reduced, and it is also possible that the current value of special bonus may be reduced or withdrawn at any time. However in normal circumstances, it is expected that special bonus would increase over time as the TA Fund inherited estate is gradually distributed.

## 10 How to find out more

We hope you've found this guide useful. To find out more about the technical details of how this fund is managed, please read our TA Fund Principles and Practices of Financial Management (PPFM) booklet.

On our website [www.LV.com/teachers](http://www.LV.com/teachers) you'll find the latest version of this guide and the more technical PPFM. If you would like us to send you a copy of either of these documents please let us know.

If you have any questions about what we've said in this document, please contact us or your financial adviser.

## 11 Glossary

Word/Phrase	Definition
asset	An investment purchased with the prospect that it will increase in value and/or generate income. Examples of various types of asset are shares in companies, fixed-interest investments, commercial property and cash. Depending on the type of asset, the value can go up and down and any income produced by it may change from one year to the next.
asset share	The accumulated value of premiums less expenses, costs of benefits and tax at the investment return earned on the with-profits fund.
Board of Directors	The individuals elected by LV='s members to oversee the management of LV= on their behalf.
commercial property	An investment in assets such as offices, and retail and industrial premises, which generate income and whose value can go up or down.
corporate bonds	Loans made to companies for a set period, usually in return for a fixed rate of interest. The interest is paid regularly, with the face value of the loan being returned at the end of the period.
financial strength	For the TA Fund, financial strength is measured by how much the value of its assets exceed the total of the value of its liabilities and its regulatory capital requirements. It is an indicator of the ability of the Fund to withstand adverse economic conditions.
fixed-interest investments	Loans made to governments or companies for a set period, in return for a fixed rate of interest. The interest is paid regularly, with the face value of the loan being returned at the end of the period.
government bonds	Loans made to governments for a set period, usually in return for a fixed rate of interest. The interest is paid regularly, with the face value of the loan being returned at the end of the period. UK Government Bonds are also known as gilts.
guaranteed benefits	The guaranteed amount (or sum assured) payable on maturity and/or death which is set at the outset of the policy. For conventional with-profits policies, Teachers Anniversary Bonds, Tax Exempt/Tax Free Savings Plans sold 2005-6 and Regular Savings Plans this also included any annual bonuses added.
inherited estate	The inherited estate is the amount of money built up from profits from the TA Fund (and previously TPS) that are in excess of a realistic assessment of the liabilities of the TA Fund. The aim is that this money is distributed over time as special bonus.
insurer	A company or mutual organisation that provides life and/or general insurance products to the general public.
liabilities	An insurer's debts or obligations that arise during the course of its operations. This includes the promises it makes to its policyholders to pay their claims.
member	As a TA Fund with-profits policyholder, you are also a member of LV=. LV= is owned by its members, who can have their say in the running of LV= through its Annual General Meeting. Members can also receive other benefits. For full details, please see our website at <a href="http://www.LV.com/members">www.LV.com/members</a> . However TA Fund with-profits policyholders are not eligible to participate in LV='s own Mutual Bonus scheme.
mutual	An organisation owned by, and run for the benefit of, its members – it has no external shareholders to pay in the form of dividends.
shares	A share represents a part ownership of a company and carries with it the entitlement to a proportion of the company's profits, paid as dividends. The value of shares can go up or down quickly, as they are influenced by national and world events. Shares are also known as equities.
smoothing	Smoothing may be applied to the amount payable under applicable with-profits policies such that an amount other than 100% of asset share is paid. Its aim is to protect our with-profits policyholders from sudden changes in the value of our investments.
special bonus	Distribution of the TA Fund inherited estate paid in addition to the main policy benefits at claim.
with-profits fund	The assets we use to help determine the main benefits under your with-profits policy.

**You can get this and other documents from us in Braille, large print or on audio by contacting us.**



**Liverpool Victoria Friendly Society Limited: County Gates, Bournemouth BH1 2NF.**

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