

Writing a Life Policy Under Trust

Any life insurance policy can be set up in Trust, whether it is a regular savings plan, a single premium investment bond or even a life protection policy.

By setting a policy up in Trust, you can ensure that the proceeds of that policy are distributed to the beneficiaries in accordance with the policyholder's wishes without delay. A trust is created at no extra cost.



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What is a trust?

- A trust is a legal document.
- It transfers the legal ownership of a policy to Trustees.
- In the event of the death of the life insured, the proceeds of the policy are paid to the Trustees. They must then forward these proceeds to the beneficiaries you name.



The Zurich Life General Trust Form

- The General Trust Form is available on Zurich's Broker Centre.
- The person named as policyholder on the policy's application form is automatically named as Trustee. This allows the policyholder to retain control over the policy during their life.
- A person is named who is given the power to appoint a Trustee on the death of the policyholder. This person may also appoint him/herself as a Trustee.
- The names of the beneficiaries and the percentage payable to each must be specified.
- Each policyholder then signs the General Trust Form and the signature is witnessed.
- The General Trust Form is suitable only for new policies and not existing policies.

Advantages of writing a policy under trust

- There is no delay in distributing the proceeds of the policy in line with the policyholder's wishes. The benefit from the policy is paid directly to the Trustees, on receipt of the necessary proofs.
- Setting a policy up under Trust removes the need for it to be included in the Will.
- Setting a policy up under Trust protects the proceeds of the policy from creditors, unless the policy was specifically effected to defraud creditors.
- The trustees must pay the proceeds of the policy to the beneficiaries named on the trust form. A trustee can be a beneficiary but, as this may present a conflict of interest, it is not recommended.

Disadvantages of writing a policy under trust

- An additional form must be completed.
- A policy written under trust cannot be assigned or used as collateral for a loan in the future.

There have been a number of queries relating to how **Zurich's General Trust Form** is completed, who fills in the relevant area and how they relate to what is required.

The following is a step-by-step guide relating to each area of the form which needs to be completed when setting a policy up under General Trust.

Section 1: Completion by policy holders:

- the first section is completed by the policy owner(s) on the policy
- this means that the person taking out the policy is recorded as the trustees of the policy. They are recorded as original trustees and will retain control over the policy during their lifetime (unless trustees change), should the need arise to encash or surrender the policy.



Section 2: Dating the proposal form

• the date in this area must be the same as the date the proposal form was signed.

DECLARE AND DIRECT that the policy to	b be issued in pursuance of the application dated
	on my life/our lives shall be issued to me/us as the trustee(s) thereof
upon the trusts hereinafter declared for	the benefit of the beneficiary(ies) hereinafter named.

Section 3: Power to appoint trustee(s)

- the policy owner(s) above nominate someone who will have the power to appoint trustees when they die - "the power of appointing a new trustee..is vested in:"
- one or two people can be listed here
- the nominated people can appoint themselves as trustees or nominate somebody else as trustees

• it is advisable to have at least one person nominated in this area. In the event of the policy owners death/dying as Trustees, Zurich will contact this nominated person regarding who should be appointed as trustees. If there is no person listed here, Zurich will have to contact the executor of the Will of the deceased, therefore causing undue delay and distress to the beneficiaries.



Section 5: Signing the General Trust Form

- it is the policy owners/trustees of the policy/trust form who sign the trust form. There is no requirement for those who are nominated to appoint trustees to sign the trust form
- the signatures of the trustees should be witnessed and the witness signs it, giving details of profession and address.

First Policy Owner/	Signature of First Policy Owner/Trustee
Trustee: Please sign.	х
Witness:	Signature of witness
Please sign.	х

you have any further queries, please contact the Technical Services Department on 01 - 209 2020. Please note that Zurich Life does note that Zurich Life doe

Please note that Zurich Life does not advise on the suitability of the General Trust Form for clients and advise that clients contact their own solicitor for advice on this form.

Zurich Life Assurance plc

For further information on the completion of the

General Trust Form, or if

Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland. Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurichlife.ie Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Intended for distribution within the Republic of Ireland.



