

Trustees' responsibilities

Here, we outline what you need to do in your role as a trustee of an insurance policy.

What's a trust?

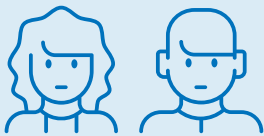
A trust is a legal arrangement where an asset is given to the trustees to look after for the beneficiaries.



Who is involved?



The **settlor** creates the trust and provides the assets. The person making the policy payments to maintain the policy held in trust will also be a settlor.



The **trustees** are the legal owners of the trust asset(s) and are responsible for managing these asset(s) in line with the trust terms and powers.



The **beneficiaries** are the people chosen to benefit from the trust.



Why do people use trusts?

Trusts are used for a number of different reasons, such as:

- tax planning;
- to pass assets to the next generation in a controlled way;
- to allow assets to pass to the chosen beneficiaries on death without the need to go through a legal process known as probate (or Confirmation in Scotland), or
- to manage assets on behalf of young or vulnerable beneficiaries.

What do I have to do as trustee?

As a trustee, you're responsible for managing the trust assets. This means it's important you understand exactly what you're managing. You should read the trust terms and powers and the policy schedule. You can also download our **Key features** and **Policy conditions** from aegon.co.uk/support to help you understand the features of the policy.

It's also important that you act in the best interest of the beneficiaries and are impartial.

You'll be responsible for:

- making sure the settlor continues making policy payments to maintain the policy;
- keeping us informed of any changes, such as a change of address or new bank details;
- using any options available as part of the policy;
- making any claims on the policy and then distributing the trust assets to the chosen beneficiaries, and
- dealing with any tax reporting, as required.

Using options on your policy

There are some options included with our policies that you can use (or exercise) once the policy has started. You should read our **Policy conditions** to understand what options are available. You'll need to work together with the other trustees so that you're all in agreement as to which options you'd like to use.

Claiming on your policy

You'll need to work together with the other trustees to make a claim on the policy. Where there's a valid claim, all trustees will need to sign the claim form and give us the details of the trustee bank account to pay the claim proceeds to.

It's important you understand who the beneficiaries of the trust are. With most of our trusts, you'll have discretion over who can benefit, when and to what extent. The settlor or insured person might make a nomination of beneficiary or letter of wishes, which is non-binding, but gives you an indication of who the trust was intended for. Where the beneficiaries are children, you might decide that it would be better to invest the claim proceeds until they become adults. We recommend taking appropriate investment advice before making any investment.

Can I get paid for being a trustee?

Only professional trustees can charge and be paid for their services.

What if I no longer want to be a trustee?

You might be able to resign as trustee, as long as there's still two individual trustees or a corporate trustee. A replacement trustee might have to be appointed before you can resign. We have a **Deed of appointment of additional trustees** and a **Deed of resignation as a trustee**, part of our **Changing trustees** form, which you might be able to use. These are available in our document library at aegon.co.uk/support

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