LIST OF ANNEXES

Annex 1

MODEL SUMMARY PROFILE

WITH-PROFIT LIFE ASSURANCE AND CAPITAL REDEMPTION CONTRACTS

Insert the following warning: ***"ATTENTION: READ THE INFORMATION NOTE CAREFULLY BEFORE UNDERWRITING THE CONTRACT.***

The present Summary Profile does not substitute the Information Note. It aims to provide the policyholder with concise information on the characteristics, guarantees, costs and any risks pertaining to the contract."

1. General Information

1.a) Insurance undertaking
Indicate the undertaking's corporate name and parent group.

1.b) Name of the contract
Indicate the commercial name of the contract.

1.c) Type of contract
In the case of increasing benefits contracts, indicate that: ***"The benefits insured by the present contract are contractually guaranteed by the undertaking and they are increased*** (indicate the periodicity for this: annual, monthly, etc. increase) ***based on the yield of a segregate fund."***
In the presence of terms and procedures for profit sharing different from those stipulated above (profit sharing of a technical account,…), suitably adapt the previous statement.

1.d) Duration
State the contract's duration. In the presence of a plurality of possible durations, express the duration in the form of an interval, indicating the minimum and maximum durations. If the contract is a whole life one, specify that the duration coincides with the insured party's life span. State that the right to surrender may be exercised and provide indications on any minimum number of years starting from which this right may be exercised. In this case, include the following phrase: ***"The right of surrender may be exercised….*** (indicate number of annual premiums and/or minimum number of years starting from which the surrender may be exercised)**"**.

1.e) Premium payment
State the frequency of premium payments (single premium, recurrent single premiums, annual premiums,...) and illustrate any mechanisms for automatically adjusting premiums. State any minimum premium amounts contemplated by contract.

2. Contract features

Briefly describe the insurance and savings requirements to be covered by the contract, so as to clarify its objectives to the potential policyholder. In any case, all statements or formulations that may attribute a promotional or advertising nature to the description, or that may induce the policyholder to undersign predefined contractual terms, must be avoided.

State that part of the premium paid will be used by the undertaking to cover demographic risks provided for by the contract (death, disability ...) and that, therefore, this part, along with that withheld to cover contractual costs, will not be counted in calculating any capital to be paid at contract maturity (omit for capital redemption products).
Refer to the Scheme exemplifying the development of benefits, paid-up and surrender values contained in Section F of the Information Note for comprehension of profit sharing mechanisms. State that "***The undertaking is required to hand over the customised Exemplifying Scheme, at the latest, as soon as the policyholder is informed that the contract has been concluded***".

3. Insurance benefits and guarantees offered

Insert the following phrase ***"The contract contemplates the following types of benefits:"***
Outline briefly, by means of the description provided in the list at annex 6 of the Circular, all types of insurance benefits proposed by the contract as main or supplementary benefit, or through options exercised by the policyholder. For capital redemption operations, the specifications of class V of the table at annex I of legislative decree 174/95 must be considered.
Subdivide benefit types on the basis of the following outline (only insert those present in the contract):

a) **Benefits in case of survival**
b) **Benefits in case of death**
c) **Disability benefits**
d) **Long-term serious illness/dependency/disability benefits**
e) **Supplementary covers**
f) **Contractual options**

Specify if there are any guarantees of payment of a minimum interest, and indicate the relevant amount and – if any - the periodic consolidation; if not, specify that the contract envisages a guaranteed minimum interest only at contract maturity.

For contracts with recurrent single premiums state if they contemplate guaranteed interest rates that may vary according to predefined mechanisms. In this case, refer to the Information Note for details.

Specify if profits in excess of the contractually guaranteed minimum, once declared to the policyholder, are definitively acquired by contract.

For policies in a foreign currency, state the currency in which with benefits are denominated and emphasise that the policyholder by contract accepts to bear an exchange risk.

In the case of surrender, specify if the policyholder bears the risk that the amount obtained may be lower than premiums paid in (this risk must also be indicated even if it is only present during certain years of the contract's duration). With respect to contracts that, in the case of non-payment of the required minimum number of annual premiums, contemplate the loss by the policyholder of premiums paid, emphasise this contractual clause.

Insert the following phrase: ***"Further information is available in the Information Note at section B. In any case, all insurance coverage and profit sharing mechanisms are regulated by articles….. of the policy conditions."***

4. Costs

Include the following phrases ***"The undertaking, in order to carry out the activity of contract distribution and management and premium collection, applies charges to the amount and according to the terms specifically laid out at Section D of the Information Note**.*

The costs charged to the premiums and those charged to the segregate fund (in the case of products with specific assets, where necessary, change the last words as follows**:** ***charged to the specific assets acquired to honour the guarantees offered) reduce the amount of benefits.***
The "Annual average percentage cost" is a concise indicator based on criteria defined by the ISVAP. It is given hereunder to provide an overall indication of the costs of the contract*.*
The "Annual average percentage cost" shows the extent to which the potential rate of return of the contract is reduced every year by costs, compared with a similar hypothetical cost-free product.
For example, if for a contract duration of 15 years the "Annual average percentage cost" for the 10th year is equal to 1%, this means that the overall costs charged to the contract in the case of surrender at the 10th year reduce the potential rate of return by 1% for each year of the insurance contract's duration. The "Annual average percentage cost" for the 15th year indicates how much the potential rate of return is reduced each year by costs if the contract is maintained until maturity.

The above indicator is merely indicative as it is based on pre-established premium levels, duration, age and sex of the insured (omit the previous wording whenever sex and age are not considered relevant variables for the assessments***) and assumes a return of the segregate fund that is apt to diverge from real data."***

The indicator must be calculated as the difference between:

- the internal rate of return of a hypothetical cost-free investment, assessed on the cash-flow of gross premiums paid and capital accrued at the various durations provided by the exemplification tables, as corrected in consideration of premiums used for pure risk coverage as well as any minimum guarantees offered by contract, as established by the technical report stated at art. 22 of legislative decree 174/95;

- the internal rate of return defined on the same cash-flow of gross premiums paid, but with reference to capital accrued at the various durations of the insurance contract, on the basis of the tariff set by the technical report stated at art. 22 of legislative decree 174/95. To this end, calculations must be made of charges on premiums paid, fixed duties and any further cost in any way introduced, percentages of return retained by the undertaking on the performance of the segregate fund (also considering any measure of minimum return retained) or management commissions with a direct bearing on the segregate fund and any further cost in any way charged, as well as the costs in case of surrender, net of any discounts or facilitations provided by contract.

If the contract also envisages any supplementary and/or ancillary covers, the assessment must be made with reference to the premium part of the main benefit that excludes the aforementioned covers. In this case, the Summary Profile must state the following phrase: *"**The "Annual average percentage cost" is calculated with reference to the premium relating to the main benefit and therefore does not take account of the premiums relating to supplementary and/or ancillary covers."***

If bonuses or fidelity bonuses are guaranteed by contract, the "Annual average percentage cost" must be calculated bearing in mind the related effects on benefits.

For contracts with automatic mechanisms for periodic or recurrent premiums adjustment, these may be considered with reference to the pre-defined contract components that do not depend on the indexation of external parameters subject to estimate (e.g. inflation). For increasing benefits contracts, on the basis of the profit-sharing clause, the gross rate of return of assets established by the ISVAP must be considered.

For contracts involving the possibility of additional payments with respect to the set plan for single or periodic payments, the "Annual average percentage cost" is calculated without any assumption on the possible future evolution of this contractual element.

Undertakings must determine the concise indicator with reference to the following contract types, based on the following indications:

- **Premium levels:** a) for periodic premium contracts € 750, € 1,500, € 3,000 per annum;
  b) for single premium contracts € 5,000, € 15,000, € 30,000.

- **Contract durations:** equal to 15, 20 and 25 years.

- **Sex and age of the insured:** male aged 50, 45 and 40 in correspondence to the above defined durations.

In the case of annuity contracts the same tables must be calculated both for male and female insureds, exclusively for individuals of 40 and 45 years of age. The "Annual average percentage cost" for these contracts is calculated at the end of the annuity deferment period. Undertakings provide a specific warning on the aforesaid assessment criterion.
Whenever contractual conditions contemplate a minimum amount of premium exceeding one of the set amounts, assessments must adopt this greater value, maintaining the other defined premium levels. However, whenever the minimum amount is comprised in the interval between the median value and the maximum value or equals or exceeds this latter value, undertakings may employ further projections by applying the implicit multipliers indicated in the above-mentioned premium levels so as to ensure three different cost indicator projections. For contracts with a predefined maximum contract duration inferior to that provided in the standardized exemplification tables, the undertaking develops tables by indicating the time scales in multiples of 5, taking as last value the maximum duration contemplated by contract.
The projection tables of the "Annual average percentage cost" are represented in the following manner (only premium levels for annual/periodic premium contracts are supplied as examples). Where the indicator is not a function of the insured's sex and age, the tables may be represented as shown for tables contained in the Summary Profile for unit-linked contracts (annex 2) in order to guarantee the brevity of the profile.

State the following phrase before the tables ***"The "Annual average percentage cost" has been established on the basis of a hypothetical assets' rate of return of …. per year set by the ISVAP prior to taxation".***

State the following phrase under the tables, if it is in line with the tariff: ***"The "Annual average percentage cost" in the case of surrender during the first years of contract duration may significantly exceed the cost recorded for the 5th year".***

Concise indicator “Annual average percentage cost”

Segregate fund “Alpha”

Annual premium: *€ 750*
Sex and age: *Male aged 50*
Duration: *15 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*

Annual premium: *€ 1,500*
Sex and age: *Male aged 50*
Duration: *15 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*

Annual premium: *€ 3,000*
Sex and age: *Male aged 50*
Duration: *15 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*

Annual premium: *€ 750*
Sex and age: *Male aged 45*
Duration: *20 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*

Annual premium: *€ 1,500*
Sex and age: *Male aged 45*
Duration: *20 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*

Annual premium: *€ 3,000*
Sex and age: *Male aged 45*
Duration: *20 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*

Annual premium: *€ 750*
Sex and age: *Male aged 40*
Duration: *25 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*

Annual premium: *€ 1,500*
Sex and age: *Male aged 40*
Duration: *25 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*

Annual premium: *€ 3,000*
Sex and age: *Male aged 40*
Duration: *25 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*

5. Illustration of historical data on the return of the segregate fund

For increasing benefits contracts, state the following phrase ***“This section reports the rate of return of the segregate fund “……..” over the last 5 years and the corresponding minimum rate of return attributed to policyholders. The data is compared with the average rate of return of State bonds and securities and with the ISTAT’s consumer price index for families of clerical and manual workers”.***

Suitably adapt the phrase for contracts in currency.

This section must provide tables to indicate the segregate fund’s rate of return, along with the minimum rate of return attributed to policyholders over the last five observation periods. Given that the return on specific segregate funds may depend on a series of variables (type of contract, premium level, amount of premiums paid during the term of the contract, ….) the table must be calculated, based on results achieved by the segregate fund, by applying the minimum percentage of the return allocated to policyholders, indicated in the Summary Profile.

This data is compared with the average rate of return of State bonds and securities and the inflation rate calculated on the ISTAT's consumer price index referred to families of clerical and manual workers.

If the segregate fund has been in operation since a shorter period of time, indicate all the data for this shorter period.

State the following warning under the table: ***"Attention: past yields are not indicative of future yields".***

Information is reported on the basis of the following examples:

Year	Return realised by the segregate fund	Minimum return allocated to policyholders	Average return of State bonds and securities	Inflation
N-4	%	%	%	%
N-3	%	%	%	%
N-2	%	%	%	%
N-1	%	%	%	%
N	%	%	%	%

The table must be suitably adapted for contracts with benefits expressed in currency. In particular, apart from the rates of return realized and allocated to policyholders and long-term interest rates of foreign currency securities in which benefits are expressed, the annual percentage variations in the exchange rates of foreign currencies against the Euro are provided, based on the following outline:

Year	Return realised by the segregate fund	Minimum return allocated to policyholders	Rate of return of long-term securities	% variation of exchange rates
N-4	%	%	%	%
N-3	%	%	%	%
N-2	%	%	%	%
N-1	%	%	%	%
N	%	%	%	%

6. Cooling off period

State the following phrase: "***The policyholder has the right to revoke the proposal or to cancel the contract. For the relative terms and procedures read section E of the Information Note".***

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Summary Profile".***

Legal representative

Details and handwritten signature

Annex 2

MODEL SUMMARY PROFILE

UNIT-LINKED CONTRACTS

Insert the following warning: ***"ATTENTION: READ THE INFORMATION NOTE CAREFULLY BEFORE UNDERWRITING THE CONTRACT".***

The present Summary Profile does not substitute the Information Note. It aims to provide the policyholder with concise information on the characteristics, guarantees, costs and any risks pertaining to the contract."

1. General Information

1.a) Insurance undertaking
Indicate the undertaking's corporate name and parent group.

1.b) Name of the contract
Indicate the commercial name of the contract.

1.c) Type of contract
State that *"**The benefits envisaged by the contract are expressed as units of a fund, whose value depends upon fluctuations in the price of the financial assets which the units represent. Therefore the contract exposes the policyholder to financial risks connected with the performance of the value of the units".***
(If the undertaking provides a guarantee of conservation of capital and/or of minimum return suitably adapt the previous statement).

1.d) Duration
State the contract's duration. In the presence of a plurality of possible durations, express the duration in the form of an interval, indicating the minimum and maximum durations. If the contract is a whole life one, specify that the duration coincides with the insured party's life span. State that the right to surrender may be exercised and provide indications on any minimum number of years starting from which this right may be exercised. In this case, include the following phrase: ***"The right of surrender may be exercised….*** (indicate number of annual premiums and/or minimum number of years starting from which the surrender may be exercised)**"**.

1.e) Premium payment
State the frequency of premium payments (single premium, recurrent single premiums, annual premiums,...) and illustrate any mechanisms for automatically adjusting premiums. State any minimum premium amounts contemplated by contract.

2. Contract features

Briefly describe the insurance and savings requirements to be covered by the contract, so as to clarify its objectives to the potential policyholder. In any case, all statements or formulations that may attribute a promotional or advertising nature to the description, or that may induce the policyholder to undersign predefined contractual terms, must be avoided.

State that part of the premium paid will be used by the undertaking to cover demographic risks provided for by the contract (death, disability ...) and that, therefore, this part, along with that withheld to cover contractual costs, will not be counted in calculating any capital to be paid at contract maturity.

3. Insurance benefits

Insert the following phrase ***"The contract contemplates the following types of benefits:"***
Outline briefly, by means of the description provided in the list at annex 6 of the Circular, all types of insurance benefits proposed by the contract as main or supplementary benefit, or through options exercised by the policyholder.
Subdivide benefit types on the basis of the following outline (only insert those present in the contract):

a) Benefits in case of survival
b) Benefits in case of death
c) Disability benefits
d) Long-term serious illness/dependency/disability benefits
e) Supplementary covers
f) Contractual options

Insert the following phrase: ***"Further information is available in the Information Note at section B. In any case, all insurance covers are regulated by articles….. of the policy conditions."***

For contracts that envisage financial guarantees offered by the undertaking this section can be named **"*Insurance benefits and guarantees offered*".** In this case specify if and for what benefits the company provides a guarantee of conservation of capital and/or of minimum return, and indicate the relevant amount.

4. Financial risks to be borne by the policyholder

In the event that the insurance undertaking does not provide any guarantee, insert the following sentence in bold characters: ***"The insurance undertaking does not provide any guarantee of conservation of capital or of minimum return. As a result the contract entails financial risks for the policyholder, connected to the negative trend in the value of the units".***
In the event that, on the policyholder's behalf, the undertaking implements an allocation plan of premiums and accrued capital in order to optimise the risk/yield profile of the contract, refer to the Information Note for a description of the operating arrangements.
In those cases in which third-parties have committed to pay pre-determined capital or returns into the fund, indicate the parties to which the obligation refers, and briefly illustrate the relevant operating arrangements. In the latter case specify that the payment of benefits is conditional upon the solvency of third parties.
Fill in the present section according to the scheme indicated below:

4.a) "Capital protected" contracts
If the contract envisages management techniques for the protection of capital designed to minimise the probability of investment capital loss describe their content. Insert the following warning: ***"Attention: the protection of capital does not constitute the guarantee of yields or the return of sums invested".***

4.b) Financial risks to be borne by the policyholder

Indicate the financial risks to be borne by the policyholder according to the following classification (indicate only the risks contemplated by the contract):

a) the risk that the capital at maturity will be lower than the premiums paid in;
b) the risk that the surrender value will be lower than the premiums paid in (this risk must be indicated also when it refers only to some years of contract duration);
c) the risk that the capital payable in case of death of the insured will be lower than the premiums paid in;
d) other.

4.c) Risk profile of funds

Insert the following sentence***: "The contract shows financial risk profiles and suggested minimum investment timeframe which may differ according to the fund chosen by the policyholder. The following table shows the risk profile of the funds to which benefits may be linked according to the classification provided by ISVAP".*** (If the contract is linked to only one fund, suitably adapt the previous wording).

Set out as a table the risk profile of each fund to which insurance benefits may be linked, according to the classification shown in the Information Note and following the approach of the exemplification table below.

	Risk Profile					
	Low	**Medium Low**	**Medium**	**Medium High**	**High**	**Very High**
Name of the "alpha" fund	☐	☐	☐	☐	☐	☐
Name of the "beta" fund	☐	☐	☐	☐	☐	☐
…………………………………..	☐	☐	☐	☐	☐	☐

5. Costs

Include the following phrases ***"The undertaking, in order to carry out the activity of contract distribution and management and premium collection, <u>applies charges to the amount and according to the terms specifically laid out at Section D of the Information Note</u>***.

***The costs charged to the premiums and those charged to the fund reduce the amount of benefits. The "Annual average percentage cost" is a concise indicator based on criteria defined by the ISVAP. It is given hereunder to provide an overall indication of the costs of the contract*.**
The "Annual average percentage cost" shows the extent to which the potential rate of return of the contract is reduced every year by costs, compared with a similar hypothetical cost-free product.
For example, if for an insurance contract with a duration of 10 years the "Annual average percentage cost" is equal to 1%, this means that the overall costs charged to the contract reduce the potential rate of return by 1% for each year of the insurance contract's duration.

The above indicator is merely indicative as it is based on pre-established premium levels and duration of the specific fund described below (insert the words ***"age and sex of the insured"*** only when sex and age are considered relevant variables for the assessments***) and assumes a return of the fund that is apt to diverge from real data."***

The figure does not take account of any overperformance and switch costs charged to the funds, since these are variable elements that depend on fund management and on possible options that the policyholder may wish to exercise.

The indicator must be calculated as the difference between:

- the internal rate of return of a hypothetical cost-free investment, assessed on the cash-flow of gross premiums paid and capital accrued at the various durations provided by the exemplification tables, as corrected in consideration of premiums used for pure risk coverage as well as any minimum guarantees offered by contract, as established by the technical report stated at art. 22 of legislative decree 174/95;

- the internal rate of return defined on the same cash-flow of gross premiums paid, but with reference to capital accrued at the various durations, on the basis of the tariff set by the technical report stated at art. 22 of legislative decree 174/95. To this end, calculations must be made of charges on premiums paid, fixed duties, management commissions and any further costs with a direct bearing on the funds, as well as the costs in case of surrender, net of any discounts or facilitations provided by contract.

If the contract also envisages any supplementary and/or ancillary covers, the assessment must be made with reference to the premium part of the main benefit that excludes the aforementioned covers. In this case, the Summary Profile must state the following phrase: ***"The "Annual average percentage cost" is calculated with reference to the premium relating to the main benefit and therefore does not take account of the premiums relating to supplementary and/or ancillary covers".***

As for funds which invest in UCITS it is necessary to consider the related charges on the basis of their historic mean over the last three years. The charges to be used in the forecasts, which must take account of subscription and reimbursement commissions as well as management commissions, are determined on the basis of the relationship between the costs of UCITS over the last three solar years and the total of the annual average assets. If the fund has been operating for less than 3 years, the calculation is made on the basis of this shorter period. For its first application, and for the financial years 2005 and 2006, undertakings can use, as an alternative, the average over the last three years of the UCITS costs recorded at the valuation date of the units at the end of the period.

In calculating the concise indicator no account should be taken of any overperformance and switch costs charged to the funds, since these are variable elements that depend on fund management and on possible options that the policyholder may wish to exercise.

If bonuses or fidelity bonuses are guaranteed by contract, the "Annual average percentage cost" must be calculated bearing in mind the related effects on benefits.

For contracts with automatic mechanisms for periodic or recurrent premiums adjustment, these may be considered with reference to the pre-defined contract components that do not depend on the indexation of external parameters subject to estimate (e.g. inflation).

For contracts involving the possibility of additional payments with respect to the set plan for single or periodic payments, the "Annual average percentage cost" is calculated without any assumption on the possible future evolution of this contractual element.

Undertakings must determine the concise indicator with reference to the following contract types, based on the following three premium levels defined as follows:

a) for periodic premium contracts € 750, € 1,500, € 3,000 per annum;
b) for single premium contracts € 5,000, € 15,000, € 30,000.

Whenever contractual conditions contemplate a minimum amount of premium exceeding one of the set amounts, assessments must adopt this greater value, maintaining the other defined premium levels. However, whenever the minimum amount is comprised in the interval between the median value and the maximum value or equals or exceeds this latter value, undertakings may employ further projections by applying the implicit multipliers indicated in the above-mentioned premium levels so as to ensure three different cost indicator projections. For contracts with a predefined maximum contract duration inferior to that provided in the standardized exemplification tables, the undertaking develops tables by indicating the time scales in multiples of 5, taking as last value the maximum duration contemplated by contract.

If the company offers various types of funds characterised by different risk profiles, in order to ensure the conciseness of the Profile, the costs of the risk profiles must be indicated by selecting a fund from among those in the following categories: a) Low – Medium Low – b) Medium – Medium High c) High – Very High.

The projection tables of the "Annual average percentage cost" are represented in the following manner (only premium levels for annual/periodic premium contracts are supplied as examples). Where the indicator is a function of the insured's sex and age, the tables must be drawn up on the basis of a 40-year old male.

State the following phrase before the tables ***"The "Annual average percentage cost" has been established on the basis of a hypothetical assets' rate of return of …. per year set by the ISVAP prior to taxation".***

State the following phrase under the tables, if it is in line with the tariff: ***"The "Annual average percentage cost" in the case of surrender during the first years of contract duration may significantly exceed the cost recorded for the 5th year".***

Concise indicator "Annual average percentage cost"

"Alpha" Fund (*risk profile: Low – Medium Low)*

Annual premium: € 750
Age: any

Duration	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*

Annual premium: € 1.500
Age: any

Duration	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*

Annual premium :€ 3.000
Age: any

Duration	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*

“Beta” Fund (*risk profile: Medium – Medium High)*

Annual premium: € 750
Age: any

Duration	*Annual average percentage cost*
5	%
10	%
15	%
20	%
25	%

Annual premium: € 1.500
Age: any

Duration	*Annual average percentage cost*
5	%
10	%
15	%
20	%
25	%

Annual premium :€ 3.000
Age: any

Duration	*Annual average percentage cost*
5	%
10	%
15	%
20	%
25	%

“Gamma” Fund (*risk profile: High – Very High)*

Annual premium: € 750
Age: any

Duration	*Annual average percentage cost*
5	%
10	%
15	%
20	%
25	%

Annual premium: € 1.500
Age: any

Duration	*Annual average percentage cost*
5	%
10	%
15	%
20	%
25	%

Annual premium :€ 3.000
Age: any

Duration	*Annual average percentage cost*
5	%
10	%
15	%
20	%
25	%

6. Illustration of some historical data on the return of the funds/UCITS

State the following phrases ***“This section reports the historical yield realised in the last 3, 5 and 10 years by the funds to which insurance benefits may be linked”.***
The data is compared with a reference parameter, hereafter called “benchmark”. The benchmark is an index that allows comparisons, in terms of composition and riskiness, with the investment objectives of a fund’s management and that can serve as a reference for comparisons of the management results. The benchmark is not subject to costs for it is a theoretical index.”
(Omit the second paragraph in the event that the indication of the benchmark is not compulsory, and refer to the section of the Information Note illustrating the relevant reasons).
The above information is supplemented with the ISTAT’s consumer price index for families of clerical and manual workers”.

This section must provide tables to indicate – for each internal fund – the average annual return realised in the last 3, 5 and 10 years compared with the benchmark, whenever such benchmark must be indicated in accordance with the instructions given by the ISVAP, and with the average inflation rate calculated according to the ISTAT’s consumer price index for families of clerical and manual workers.
If the fund has been operating for a shorter period, indicate the data available for such shorter period and, should the fund be operational for less than three years, indicate the rates of return with respect to each year elapsed.
For contracts whose benefits are directly linked to a UCITS the figures for the average annual return, compared to the benchmark, shall refer to the last 3 and 5 solar years.
State the following warning under the tables illustrating the compound average annual return for each fund: ***"Attention: past performance is not indicative of future performance”.***

Information is reported on the basis of the following examples:

Compound average annual return			
	Last 3 years	Last 5 years	Last 10 years
“Alpha” fund	%	%	%
Benchmark	%	%	%

Compound average annual return			
	Last 3 years	Last 5 years	Last 10 years
“Beta” fund	%	%	%
Benchmark	%	%	%

Average inflation rate		
Last 3 years	Last 5 years	Last 10 years
%	%	%

7. Cooling off period

State the following phrase: “***The policyholder has the right to revoke the proposal or to cancel the contract. For the relative terms and procedures read section E of the Information Note”.***

Insert the following phrase: ***“…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Summary Profile”.***

Legal representative

Details and handwritten signature

Annex 3

MODEL SUMMARY PROFILE

INDEX-LINKED CONTRACTS

Insert the following warning: ***"ATTENTION: READ THE INFORMATION NOTE CAREFULLY BEFORE UNDERWRITING THE CONTRACT".***

***The present Summary Profile does not substitute the Information Note. It aims to provide the policyholder with concise information on the characteristics, guarantees, costs and any risks pertaining to the contract*."**

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1. General Information

1.a) Insurance undertaking
Indicate the undertaking's corporate name and parent group.

1.b) Name of the contract
Indicate the commercial name of the contract.

1.c) Type of contract
State that ***"The benefits envisaged in the contract are directly linked to the performance of the share index …..(***replace the foregoing words with ***"a basket of share indices ….."*** or ***"the reference value…."*)".**
Therefore the contract exposes the policyholder to financial risks connected with the performance of the parameters to which insurance benefits are linked".

(If the undertaking provides a guarantee of conservation of capital and/or of minimum return suitably adapt the previous statement).

Specify the indices or other reference values to which benefits are linked.

1.d) Duration
State the contract's duration. In the presence of a plurality of possible durations, express the duration in the form of an interval, indicating the minimum and maximum durations. State that the right to surrender may be exercised and provide indications on any minimum number of years starting from which this right may be exercised. In this case, include the following phrase: ***"The right of surrender may be exercised….*** (indicate number of annual premiums and/or minimum number of years starting from which the surrender may be exercised)**"**.

1.e) Premium payment
State the frequency of premium payments (single premium, recurrent single premiums, annual premiums,...) and illustrate any mechanisms for automatically adjusting premiums. State any minimum premium amounts contemplated by contract.

2. Contract features

Briefly describe the insurance and savings requirements to be covered by the contract, so as to clarify its objectives to the potential policyholder. In any case, all statements or formulations that may attribute a promotional or advertising nature to the description, or that may induce the policyholder to undersign predefined contractual terms, must be avoided.
State that part of the premium paid will be used by the undertaking to cover demographic risks provided for by the contract (death, disability ...) and that, therefore, this part, along with that withheld to cover contractual costs, will not be counted in calculating any capital to be paid at contract maturity.

3. Insurance benefits

Insert the following phrase ***"The contract contemplates the following types of benefits:"***
Outline briefly, by means of the description provided in the list at annex 6 of the Circular, all types of insurance benefits proposed by the contract as main or supplementary benefit, or through options exercised by the policyholder.
Subdivide benefit types on the basis of the following outline (only insert those present in the contract):

a) Benefits in case of survival
b) Benefits in case of death
c) Disability benefits
d) Long-term serious illness/dependency/disability benefits
e) Supplementary covers
f) Contractual options

Insert the following phrase: ***"Further information is available in the Information Note at section B. In any case, all insurance covers are regulated by articles….. of the policy conditions."***

For contracts that envisage financial guarantees offered by the undertaking this section can be named **"*Insurance benefits and guarantees offered*"**. In this case specify if and for what benefits the company provides a guarantee of conservation of capital and/or of minimum return, and indicate the value of the minimum guaranteed benefit.

4. Financial risks to be borne by the policyholder

In the event that the insurance undertaking does not provide any guarantee, insert the following sentence in bold characters: ***"The insurance undertaking does not provide any guarantee of conservation of capital or of minimum return. Therefore the payment of benefits depends on fluctuations in the benchmark and/or on the solvency of the issuer (or guarantor) of the financial instruments underlying the insurance contract".***

Indicate that ***"The rating attributed to the issuer*** (or to any guarantor) ***of the financial instrument to which benefits are linked at the date when this paper was prepared is … .During the term of the contract this rating is published on the daily newspaper … and in the internet site of the company."***

Indicate the financial risks to be borne by the policyholder according to the following classification (indicate only the risks contemplated by the contract):

a) the risk that the capital at maturity will be lower than the premiums paid in;
b) the risk that the surrender value will be lower than the premiums paid in (this risk must be indicated also when it refers only to some years of contract duration);
c) the risk that the capital payable in case of death of the insured will be lower than the premiums paid in;
d) other.

Specify that "***When underwriting the contract the policyholder acquires a complex financial structure, which entails the acquisition of positions in derivative instruments. <u>The acquisition of positions in said derivative components could, at maturity, lead to a loss of up to ….% of the premiums paid</u>. In this regard the risk of counterpart relating to the standing of the issuer of the financial instrument underlying the contract is irrelevant".***

5. Costs and breakdown of the premium

Include the following phrases ***"The undertaking, in order to carry out the activity of contract distribution and management and premium collection, <u>applies charges to the amount and according to the terms specifically laid out at Section D of the Information Note</u>.***

The amount of the costs charged to the premiums (insert the words: ***"and of those levied by the undertaking on specific assets acquired in order to replicate the benefits provided for under the contract",*** where envisaged by the product cost structure) ***reduces the amount of benefits."***

If the benefits or the surrender value are directly linked to the value of a financial instrument, insert the following sentence: ***"In order to allow the policyholder to have information on the costs and on how the premium is invested, set out below is a table describing the percentage breakdown of the premium into the components used to acquire the financial instrument underlying the contract (subdivided into bond and derivative components) and the cost component.*** (Insert the words***: "This table is supplemented with the information on the costs levied by the undertaking on specific assets acquired in order to replicate the benefits provided for under the contract"*** where envisaged by the contract cost structure).

Provide a table, according to the scheme set out below, indicating the percentage breakdown of the premium into the single bond, derivative and cost components, net of fixed duties, whenever present, that must be stated separately. In the last case, after the indication of said duties, which where necessary can be represented as a table (fixed duties depending on the amount of the premium, …) state that: ***"Fixed duties increase the percentage incidence of the costs represented in the table showing the breakdown of the premium. This incidence is calculated as the ratio of fixed duties to the premium paid and decreases with increases in the amount of the premium".***
Where necessary specify that when paying premiums the policyholder pays the undertaking an implicit loading stemming from the higher price paid for the purchase of the financial instruments underlying the contract, compared to the assets' actual cost paid by the company.

Breakdown of the premium	***% Value***
Bond component	*%*
Derivative component	*%*
Costs	*%*
Overall premium	*100.00*

If necessary the table should be appropriately adjusted to a greater level of details whenever the complexity of the underlying financial structure or cost structure requires it. In any case, all elements characterising the premium should be parameterised at 100.

For contracts where the loading depends on the amount of the premium, the table must be drawn up on the basis of the minimum amount of the premium envisaged in the contract.

If the contract also envisages any supplementary and/or ancillary covers, it must be made clear that the breakdown refers to the premium part of the main benefit that excludes the aforementioned covers.

Indicate the further costs levied by the undertaking on specific assets acquired in order to replicate the benefits provided for under the contract, where envisaged by the product cost structure.

6. Cooling off period

State the following phrase: "***The policyholder has the right to revoke the proposal or to cancel the contract. For the relative terms and procedures read section E of the Information Note".***

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Summary Profile".***

Legal representative

Details and handwritten signature

Annex 4

MODEL SUMMARY PROFILE

PROFIT SHARING CONTRACT DESIGNED TO IMPLEMENT AN INDIVIDUAL PENSION PLAN

Insert the following warning: ***"ATTENTION: READ THE INFORMATION NOTE CAREFULLY BEFORE UNDERWRITING THE CONTRACT".***

The present Summary Profile does not substitute the Information Note. It aims to provide the policyholder with concise information on the characteristics, guarantees, costs and any risks pertaining to the contract."

1. General Information

1.a) Insurance undertaking
Indicate the undertaking's corporate name and parent group.

1.b) Name of the contract
Indicate the commercial name of the contract.

1.c) Type of contract
In the case of individual pension plans whose benefits are linked to the performance of a segregate fund, indicate that: ***"The benefits insured by the contract are contractually guaranteed by the undertaking, both in the accumulation phase of the pension benefit and during the payment of the annuity, and they are increased*** (indicate the periodicity for this: annual, monthly, etc. increase) ***based on the yield of a segregate fund."***
In the presence of terms and procedures for profit sharing different from those stipulated above (profit sharing of a technical account,…), suitably adapt the previous statement.

1.d) Duration
Indicate the duration of the contract taking also account of the conditions required by law to be entitled to pension benefits.

1.e) Premium payment
State the frequency of premium payments and illustrate any mechanisms for automatically adjusting premiums. Specify if the policyholder can vary the amount of premiums during the life of the contract. State any minimum premium amounts contemplated by contract. Indicate that the policyholder has the right to suspend or stop the payment of premiums.

2. Contract features

Briefly describe the pension requirements to be covered by the contract, so as to clarify its objectives to the potential policyholder, by making reference to the relevant regulatory provisions. Illustrate that the contract envisages an accumulation phase of the pension benefit and a period of payment of the annuity.

In any case, all statements or formulations that may attribute a promotional or advertising nature to the description, or that may induce the policyholder to undersign predefined contractual terms, must be avoided.
State that part of the premium paid will be used by the undertaking to cover demographic risks provided for by the contract and that, therefore, this part, along with that withheld to cover contractual costs, will not be counted in the calculation of the pension benefit.
Indicate the individuals that can underwrite contracts designed to implement individual pension plans and insert the following sentence: ***"The tax relief applicable to contracts designed to implement individual pension plans is granted only when the requirements and conditions envisaged by law and described in point 12 of the Information Note are met".***
In order to enable policyholders to assess how much they need to invest to supplement their pension, refer to the Exemplifying Scheme described in ISVAP circular 445/01. State that ***"The undertaking is required to hand over a customised Exemplifying Scheme, together with the Information Note".***

3. Insurance benefits and guarantees offered

Insert the following phrase ***"The contract contemplates the following types of benefits:"***
Outline briefly, by means of the description provided in the list at annex 6 of the Circular, all types of insurance benefits proposed by the contract as main benefit, or through options exercised by the policyholder with respect to supplementary or ancillary covers.
Subdivide benefit types on the basis of the following outline, specifying that the conditions required to be entitled to pension benefits, either in the form of capital or of annuity, or to surrender or transfer the pension benefit accrued, are established by law:

a) Benefits for old age pensions or seniority pensions
b) Surrender (indicate the different types of surrender envisaged by law)
c) Benefits in case of transfer of one's individual position
d) Ancillary and/or supplementary covers.

Specify if and for what benefits there are any guarantees of payment of a minimum interest, and indicate the relevant amount and the periodic consolidation – if any.
Indicate if the undertaking has the right to revise the guaranteed interest rate in accordance with the provisions laid down in ISVAP Circular 434/2001. In this case specify that the new rate applies only to the premiums falling due following the date of entry into force of such change, indicated in the notification to be sent to the policyholder.

Indicate if the undertaking has the right to revise the demographic basis used for calculating the annuity. In this case specify if the new basis applies also to the premiums already paid in or only to the premiums paid after the date of entry into force of such change.

Specify if and when the policyholder bears the risk that the amount obtained may be lower than premiums paid in (this risk must be indicated even if it is only present during certain years of the contract's duration).

Specify if profits in excess of the contractually guaranteed minimum, once declared to the policyholder, are definitively acquired by contract.

For policies in a foreign currency, state the currency in which with benefits are denominated and emphasise that the policyholder by contract accepts to bear an exchange risk.

Insert the following phrase: ***"Further information is available in the Information Note at section B. In any case, all insurance coverage and profit sharing mechanisms are regulated by articles….. of the policy conditions."***

4. Costs

Include the following phrases ***"The undertaking, in order to carry out the activity of contract distribution and management and premium collection, <u>applies charges to the amount and according to the terms specifically laid out at Section D of the Information Note</u>***.

The costs charged to the premiums and those charged to the segregate fund (in the case of products with specific assets, where necessary, change the last words as follows: ***charged to the specific assets acquired to honour the guarantees offered) reduce the amount of benefits.***
The "Annual average percentage cost" is a concise indicator based on criteria defined by the ISVAP. It is given hereunder to provide an overall indication of the costs of the accumulation phase of the pension benefit.
The "Annual average percentage cost" shows the extent to which the potential rate of return of the contract is reduced every year by costs, compared with a similar hypothetical cost-free product.
For example, if for a contract duration of 40 years the "Annual average percentage cost" for the 10th year is equal to 1%, this means that the overall costs charged to the contract in the case of transfer of the individual position at the 10th year reduce the potential rate of return by 1% for each year of duration of the pension relationship. The "Annual average percentage cost" for the 40th year indicates how much the potential rate of return is reduced each year by costs if the contract is maintained until the requirements to become entitled to pension benefits are met.

The above indicator is merely indicative as it is based on pre-established premium levels, duration, age and sex of the insured (omit the previous wording whenever sex and age are not considered relevant variables for the assessments***) and assumes a return of the segregate fund that is apt to diverge from real data."***

The indicator must be calculated as the difference between:

- the internal rate of return of a hypothetical cost-free investment, assessed on the cash-flow of gross premiums paid and capital accrued at the various durations provided by the exemplification tables, as corrected in consideration of premiums used for pure risk coverage as well as any minimum guarantees offered by contract, as established by the technical report stated at art. 22 of legislative decree 174/95, as well as of the fiscal burden on the net result accrued in each taxable period during the accumulation phase;

- the internal rate of return defined on the same cash-flow of gross premiums paid, but with reference to capital accrued at the various durations, on the basis of the tariff set by the technical report stated at art. 22 of legislative decree 174/95. To this end, calculations must be made of charges on premiums paid, fixed duties and any further cost in any way introduced, percentages of return retained by the undertaking on the performance of the segregate fund (also considering any measure of minimum return retained) or management commissions with a direct bearing on the segregate fund and any further cost in any way charged, the fiscal burden on the net result accrued in each taxable period during the accumulation phase as well as the costs in case of transfer of the pension position, net of any discounts or facilitations provided by contract.

If the contract also envisages any supplementary and/or ancillary covers, the assessment must be made with reference to the premium part of the main benefit that excludes the aforementioned covers. In this case, the summary profile must state the following phrase: ***"The "Annual average percentage cost" is calculated with reference to the premium relating to the main benefit and therefore does not take account of the premiums relating to supplementary and/or ancillary covers."***

If bonuses or fidelity bonuses are guaranteed by contract, the "Annual average percentage cost" must be calculated bearing in mind the related effects on benefits.
Similarly, if the tariff envisages the recovery of deferred acquisition costs directly upon the payment of the first annual premium (or the first annual premiums), the indicator must be calculated taking account of the capital increases relating to the share of the non-accrued costs to be refunded to the policyholder.

For contracts with automatic mechanisms for premium adjustment, these may be considered with reference to the pre-defined contract components that do not depend on the indexation of external parameters subject to estimate (e.g. inflation). For increasing benefits contracts, on the basis of the profit-sharing clause, the gross rate of return of assets established by the ISVAP must be considered.

For contracts involving the possibility of additional payments with respect to the set payment plan, the "Annual average percentage cost" is calculated without any assumption on the possible future evolution of this contractual element.

Undertakings must determine the concise indicator with reference to the following contract types, based on the following indications:

- **Annual premium levels:** € 1,250, € 2,500, € 5,000 per annum;

- **Durations of the accumulation phase:** equal to 20, 30 and 40 years.

- **Sex and age of the insured:** male aged 45, 35 and 25 in correspondence to the above defined durations.

Whenever contractual conditions contemplate a minimum amount of premium exceeding one of the set amounts, assessments must adopt this greater value, maintaining the other defined premium levels. However, whenever the minimum amount is comprised in the interval between the median value and the maximum value or equals or exceeds this latter value, undertakings may employ further projections by applying the implicit multipliers indicated in the above-mentioned premium levels so as to ensure three different cost indicator projections.

The "Annual average percentage cost" projection is represented using the following exemplification tables.
State the following phrase before the tables: ***"The "Annual average percentage cost" has been established on the basis of a hypothetical assets' rate of return of …. per year set by the ISVAP prior to the tax levies applied during the payment of benefits".***
State the following phrase under the tables, if it is in line with the tariff: ***"The "Annual average percentage cost" in the case of transfer of the pension position during the first years of the accumulation phase may significantly exceed the cost recorded for the 5th year".***

Concise indicator “Annual average percentage cost”

Segregate fund “Alpha”

Annual premium: *€ 1,250*
Sex and age: *Male aged 45*
Duration of the accumulation phase: *20 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*

Annual premium: *€ 2,500*
Sex and age: *Male aged 45*
Duration of the accumulation phase: *20 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*

Annual premium: *€ 5,000*
Sex and age: *Male aged 45*
Duration of the accumulation phase: *20 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*

Annual premium: *€ 1,250*
Sex and age: *Male aged 35*
Duration of the accumulation phase: *30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium: *€ 2,500*
Sex and age: *Male aged 35*
Duration of the accumulation phase: *30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium: *€ 5,000*
Sex and age: *Male aged 35*
Duration of the accumulation phase: *30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium: *€ 1,250*
Sex and age: *Male aged 25*
Duration of the accumulation phase: *40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

Annual premium: *€ 2,500*
Sex and age: *Male aged 25*
Duration of the accumulation phase: *40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

Annual premium: *€ 5,000*
Sex and age: *Male aged 25*
Duration of the accumulation phase: *40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

Costs for the payment of the annuity

State that, during the payment of the annuity, a cost is charged to such payment. Indicate the loading applied with reference to a life annuity paid on an annual and monthly basis.

5. Illustration of historical data on the return of the segregate fund

For increasing benefits contracts, state the following phrase ***"This section reports the rate of return of the segregate fund "……." over the last 5 years and the corresponding minimum rate of return attributed to policyholders. The data is compared with the average rate of return of State bonds and securities and with the ISTAT's consumer price index for families of clerical and manual workers".***

Suitably adapt the phrase for contracts in currency.

This section must provide tables to indicate the rate of return realised by the segregate fund to which benefits are linked, along with the minimum rate of return allocated to policyholders over the last five observation periods. Given that the return on specific segregate funds may depend on a series of variables (premium level, amount of premiums paid during the term of the contract, ….) the table must be calculated, based on results achieved by the segregate fund, by applying the minimum percentage of the return allocated to policyholders, indicated in the Summary Profile.

This data is compared with the average rate of return of State bonds and securities and the inflation rate calculated on the ISTAT's consumer price index referred to families of clerical and manual workers.

If the segregate fund has been in operation since a shorter period of time, indicate all the data for this shorter period.

State the following warning under the table: ***"Attention: past yields are not indicative of future yields".***

Information is reported according to the following exemplification:

Year	Return realised by the segregate fund	Minimum return allocated to policyholders	Average return of State bonds and securities	Inflation
N-4	%	%	%	%
N-3	%	%	%	%
N-2	%	%	%	%
N-1	%	%	%	%
N	%	%	%	%

The table must be suitably adapted for contracts with benefits expressed in currency. In particular, apart from the rates of return realized and allocated to policyholders and long-term interest rates of foreign currency securities in which benefits are expressed, the annual percentage variations in the exchange rates of foreign currencies against the Euro are provided, based on the following outline*:*

Year	Return realised by the segregate fund	Minimum return allocated to policyholders	Rate of return of long-term securities	% variation of exchange rates
N-4	%	%	%	%
N-3	%	%	%	%
N-2	%	%	%	%
N-1	%	%	%	%
N	%	%	%	%

6. Cooling off period

State the following phrase: "***The policyholder has the right to revoke the proposal or to cancel the contract. For the relative terms and procedures read section E of the Information Note".***

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Summary Profile".***

Legal representative

Details and handwritten signature

Annex 5

MODEL SUMMARY PROFILE

UNIT LINKED CONTRACTS DESIGNED TO IMPLEMENT AN INDIVIDUAL PENSION PLAN

Insert the following warning: ***"ATTENTION: READ THE INFORMATION NOTE CAREFULLY BEFORE UNDERWRITING THE CONTRACT".***

***The present Summary Profile does not substitute the Information Note. It aims to provide the policyholder with concise information on the characteristics, guarantees, costs and any risks pertaining to the contract*.**"

1. General Information

1.a) Insurance undertaking
Indicate the undertaking's corporate name and parent group.

1.b) Name of the contract
Indicate the commercial name of the contract.

1.c) Type of contract
Indicate that: ***"The benefits insured by the present contract are expressed, in the accumulation phase of the pension benefit, as units of a fund, whose value depends upon fluctuations in the price of the financial assets which the units represent. Therefore the contract exposes the policyholder to financial risks connected with the performance of the value of the units".*** (If the undertaking provides a guarantee of conservation of capital and/or of minimum return suitably adapt the previous statement). ***During the payment of the annuity, the latter is contractually guaranteed by the undertaking, and is increased*** (indicate the periodicity for this: annual, monthly, etc. increase) ***based on the yield of a segregate fund."***
In the presence of terms and procedures for profit sharing different from those stipulated above (profit sharing of a technical account,…), suitably adapt the previous statement.

1.d) Duration
Indicate the duration of the contract taking also account of the conditions required by law to be entitled to pension benefits.

1.e) Premium payment
State the frequency of premium payments and illustrate any mechanisms for automatically adjusting premiums. Specify if the policyholder can vary the amount of premiums during the life of the contract. State any minimum premium amounts contemplated by contract. Indicate that the policyholder has the right to suspend or stop the payment of premiums.

2. Contract features

Briefly describe the pension requirements to be covered by the contract, so as to clarify its objectives to the potential policyholder, by making reference to the relevant regulatory provisions.

Illustrate that the contract envisages an accumulation phase of the pension benefit and a period of payment of the annuity.
In any case, all statements or formulations that may attribute a promotional or advertising nature to the description, or that may induce the policyholder to undersign predefined contractual terms, must be avoided.
State that part of the premium paid will be used by the undertaking to cover demographic risks provided for by the contract and that, therefore, this part, along with that withheld to cover contractual costs, will not be counted in the calculation of the pension benefit.
Indicate the individuals that can underwrite contracts designed to implement individual pension plans and insert the following sentence: ***"The tax relief applicable to contracts designed to implement individual pension plans is granted only when the requirements and conditions envisaged by law and described in point 16 of the Information Note are met".***
In order to enable policyholders to assess how much they need to invest to supplement their pension, refer to the Exemplifying Scheme described in ISVAP circular 445/01. State that ***"The undertaking is required to hand over a customised Exemplifying Scheme, together with the Information Note".***

3. Insurance benefits and guarantees offered

Insert the following phrase ***"The contract contemplates the following types of benefits:"***
Outline briefly, by means of the description provided in the list at annex 6 of the Circular, all types of insurance benefits proposed by the contract as main benefit, or through options exercised by the policyholder with respect to supplementary or ancillary covers.
Subdivide benefit types on the basis of the following outline, specifying that the conditions required to be entitled to pension benefits, either in the form of capital or of annuity, or to surrender or transfer the pension benefit accrued, are established by law:

a) Benefits for old age pensions or seniority pensions
b) Surrender (indicate the different types of surrender envisaged by law)
c) Benefits in case of transfer of one's individual position
d) Ancillary and/or supplementary covers.

Specify if and for what benefits there are any guarantees of conservation of capital or of minimum return, and indicate the relevant amount.
Indicate if the undertaking has the right to revise the guaranteed interest rate in accordance with the provisions laid down in ISVAP Circular 434/2001. In this case specify that the new rate applies only to the premiums falling due following the date of entry into force of such change, indicated in the notification to be sent to the policyholder.

Indicate if the undertaking has the right to revise the demographic basis used for calculating the annuity. In this case specify if the new basis applies also to the premiums already paid in or only to the premiums paid after the date of entry into force of such change.

Specify if and when the policyholder bears the risk that the amount obtained may be lower than premiums paid in (this risk must be indicated even if it is only present during certain years of the contract's duration).

For policies in a foreign currency, state the currency in which with benefits are denominated and emphasise that the policyholder by contract accepts to bear an exchange risk.

Insert the following phrase*: **"Further information is available in the Information Note at section B. In any case, insurance benefits are regulated by articles….. of the policy conditions."***

4. Financial risks to be borne by the policyholder

In the event that the insurance undertaking does not provide any guarantee, insert the following sentence in bold characters: ***"<u>The insurance undertaking does not provide any guarantee of conservation of capital or of minimum return. As a result the contract entails financial risks connected to the negative trend in the value of the units</u>".***
In the event that, on the policyholder's behalf, the undertaking implements an allocation plan of premiums and accrued capital in order to optimise the risk/yield profile of the pension plan (for example "Life cycle style" contracts), refer to the Information Note for a description of the operating arrangements.
In those cases in which third-parties have committed to pay pre-determined capital or returns into the fund, indicate the parties to which the obligation refers, and briefly illustrate the relevant operating arrangements. In the latter case specify that the payment of benefits is conditional upon the solvency of third parties.
Fill in the present section according to the scheme indicated below:

4.a) "Capital protected" contracts

If the contract envisages management techniques for the protection of capital designed to minimise the probability of investment capital loss describe their content. Insert the following warning: ***"Attention: the protection of capital does not constitute the guarantee of yields or the return of sums invested".***

4.b) Financial risks to be borne by the policyholder

Indicate the financial risks to be borne by the policyholder according to the following classification (indicate only the risks contemplated by the contract):

a) the risk that the capital at the end of the accumulation phase will be lower than the premiums paid in;
b) the risk that in case of surrender or transfer of the accrued pension position, the relevant value will be lower than the premiums paid in (this risk must be indicated also when it refers only to some years of contract duration);
c) the risk that the capital payable in case of death of the insured will be lower than the premiums paid in;
d) other.

4.c) Risk profile of funds

Insert the following sentence***: "Each fund shows risk profiles of which the policyholder must be aware both as regards its own risk propensity and the timeframe before its retirement. The following table shows the risk profile of the funds to which benefits may be linked according to the classification provided by ISVAP".*** (If the contract is linked to only one fund, suitably adapt the previous wording).
Set out as a table the risk profile of each fund to which insurance benefits may be linked, according to the classification shown in the Information Note and following the approach of the exemplification table below.

	Risk Profile					
	Low	**Medium Low**	**Medium**	**Medium High**	**High**	**Very High**
Name of the "alpha" fund	☐	☐	☐	☐	☐	☐
Name of the "beta" fund	☐	☐	☐	☐	☐	☐
…………………………………..	☐	☐	☐	☐	☐	☐

5. Costs

Include the following phrases ***"The undertaking, in order to carry out the activity of contract distribution and management and premium collection, <u>applies charges to the amount and according to the terms specifically laid out at Section D of the Information Note</u>***.

The costs charged to the premiums and those charged to the fund reduce the amount of benefits. The "Annual average percentage cost" is a concise indicator based on criteria defined by the ISVAP. It is given hereunder to provide an overall indication of the costs of the accumulation phase of the pension benefit.
The "Annual average percentage cost" shows the extent to which the potential rate of return of the contract is reduced every year by costs, compared with a similar hypothetical cost-free product.
For example, if for a contract duration of 40 years the "Annual average percentage cost" for the 10th year is equal to 1%, this means that the overall costs charged to the contract in the case of transfer of the individual position at the 10th year reduce the potential rate of return by 1% for each year of duration of the pension relationship. The "Annual average percentage cost" for the 40th year indicates how much the potential rate of return is reduced each year by costs if the contract is maintained until the requirements to become entitled to pension benefits are met.
The above indicator is merely indicative as it is based on pre-established premium levels, duration, age and sex of the insured (omit the previous wording whenever sex and age are not considered relevant variables for the assessments***) and assumes a return of the fund that is apt to diverge from real data."***

The figure does not take account of any overperformance and switch costs charged to the funds, since these are variable elements that depend on fund management and on possible options that the policyholder may wish to exercise."

The indicator must be calculated as the difference between:

- the internal rate of return of a hypothetical cost-free investment, assessed on the cash-flow of gross premiums paid and capital accrued at the various durations provided by the exemplification tables, as corrected in consideration of premiums used for pure risk coverage as well as any minimum guarantees offered by contract, as established by the technical report stated at art. 22 of legislative decree 174/95, as well as of the fiscal burden on the net result accrued in each taxable period during the accumulation phase;

– the internal rate of return defined on the same cash-flow of gross premiums paid, but with reference to capital accrued at the various durations, on the basis of the tariff set by the technical report stated at art. 22 of legislative decree 174/95. To this end, calculations must be made of charges on premiums paid, fixed duties, management commissions and any further costs with a direct bearing on the funds, the fiscal burden on the net result accrued in each taxable period during the accumulation phase as well as the costs in case of transfer of the pension position, net of any discounts or facilitations provided by contract.

If the contract also envisages any supplementary and/or ancillary covers, the assessment must be made with reference to the premium part of the main benefit that excludes the aforementioned covers. In this case, the summary profile must state the following phrase: ***"The "Annual average percentage cost" is calculated with reference to the premium relating to the main benefit and therefore does not take account of the premiums relating to supplementary and/or ancillary covers."***

As for funds which invest in UCITS it is necessary to consider the related charges on the basis of their historic mean over the last three years. The charges to be used in the forecasts, which must take account of subscription and reimbursement commissions as well as management commissions, are determined on the basis of the relationship between the costs of UCITS over the last three solar years and the total of the annual average assets. If the fund has been operating for less than 3 years, the calculation is made on the basis of this shorter period. For its first application, and for the financial years 2005 and 2006, undertakings can use, as an alternative, the average over the last three years of the UCITS costs recorded at the valuation date of the units at the end of the period.

In calculating the concise indicator no account should be taken of any overperformance and switch costs charged to the funds, since these are variable elements that depend on fund management and on possible options that the policyholder may wish to exercise.

If bonuses or fidelity bonuses are guaranteed by contract, the "Annual average percentage cost" must be calculated bearing in mind the related effects on benefits.
Similarly, if the tariff envisages the recovery of deferred acquisition costs directly upon the payment of the first annual premium (or the first annual premiums), the indicator must be calculated taking account of the capital increases relating to the share of the non-accrued costs to be refunded to the policyholder.

For contracts with automatic mechanisms for premium adjustment, these may be considered with reference to the pre-defined contract components that do not depend on the indexation of external parameters subject to estimate (e.g. inflation).

For contracts involving the possibility of additional payments with respect to the set plan of periodic payments, the "Annual average percentage cost" is calculated without any assumption on the possible future evolution of this contractual element.

Undertakings must determine the concise indicator with reference to the following contract types, based on the following indications:

- **<u>Annual premium levels:</u>** € 1,250, € 2,500, € 5,000 per annum;
- **<u>Durations of the accumulation phase:</u>** equal to 30 and 40 years.
- **<u>Sex and age of the insured:</u>** male aged 35 and 25 in correspondence to the above defined durations.

Whenever contractual conditions contemplate a minimum amount of premium exceeding one of the set amounts, assessments must adopt this greater value, maintaining the other defined premium levels. However, whenever the minimum amount is comprised in the interval between the median value and the maximum value or equals or exceeds this latter value, undertakings may employ further projections by applying the implicit multipliers indicated in the above-mentioned premium levels so as to ensure three different cost indicator projections.

If the company offers various types of funds characterised by different risk profiles, in order to ensure the conciseness of the Profile, the costs of the risk profiles must be indicated by selecting a fund from among those in the following categories: a) Low – Medium Low, b) High – Very High. If the company does not offer a fund with the risk profile under b), it can alternatively provide a table with the profile Medium – Medium High.

The "Annual average percentage cost" projection is represented using the following exemplification tables.
State the following phrase before the tables: ***"The "Annual average percentage cost" has been established on the basis of a hypothetical assets' rate of return of …. per year set by the ISVAP prior to the tax levies applied during the payment of benefits".***
State the following phrase under the tables, if it is in line with the tariff: ***"The "Annual average percentage cost" in the case of surrender during the first years of the accumulation phase may significantly exceed the cost recorded for the 5th year".***

Concise indicator "Annual average percentage cost"

"Alpha" Fund (*risk profile: Low – Medium Low)*

Annual premium: *€ 1,250*
Sex and age: *Male aged 35*
Duration of the accumulation phase: *30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium: *€ 2,500*
Sex and age: *Male aged 35*
Duration of the accumulation phase: *30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium: *€ 5,000*
Sex and age: *Male aged 35*
Duration of the accumulation phase: *30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium: *€ 1,250*
Sex and age: *Male aged 25*
Duration of the accumulation phase: *40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

Annual premium: *€ 2,500*
Sex and age: *Male aged 25*
Duration of the accumulation phase: *40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

Annual premium: *€ 5,000*
Sex and age: *Male aged 25*
Duration of the accumulation phase: *40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

"Gamma" Fund (*risk profile: High – Very High)*

Annual premium:	*€ 1,250*
Sex and age:	*Male aged 35*
Duration of the accumulation phase:	*30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium:	*€ 2,500*
Sex and age:	*Male aged 35*
Duration of the accumulation phase:	*30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium:	*€ 5,000*
Sex and age:	*Male aged 35*
Duration of the accumulation phase:	*30 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*

Annual premium:	*€ 1,250*
Sex and age:	*Male aged 25*
Duration of the accumulation phase:	*40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

Annual premium:	*€ 2,500*
Sex and age:	*Male aged 25*
Duration of the accumulation phase:	*40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

Annual premium:	*€ 5,000*
Sex and age:	*Male aged 25*
Duration of the accumulation phase:	*40 years*

Year	*Annual average percentage cost*
5	*%*
10	*%*
15	*%*
20	*%*
25	*%*
30	*%*
35	*%*
40	*%*

Costs for the payment of the annuity

State that, during the payment of the annuity, a cost is charged to such payment. Indicate the loading applied with reference to a life annuity paid on an annual and monthly basis.

6. Illustration of some historical data on the return of the funds/UCITS

State the following phrases ***"This section reports the historical yield realised in the last 3, 5 and 10 years by the funds to which pension benefits may be linked".***

The data is compared with a reference parameter, hereafter called "benchmark". The benchmark is an index that allows comparisons, in terms of composition and riskiness, with the investment objectives of a fund's management and that can serve as a reference for comparisons of the management results. The benchmark is not subject to costs for it is a theoretical index." (Omit the second paragraph in the event that the indication of the benchmark is not compulsory, and refer to the section of the Information Note illustrating the relevant reasons).
The above information is supplemented with the ISTAT's consumer price index for families of clerical and manual workers".

This section must provide tables to indicate – for each internal fund – the average annual return realised in the last 3, 5 and 10 years compared with the benchmark, whenever such benchmark must be indicated in accordance with the instructions given by the ISVAP, and with the average inflation rate calculated according to the ISTAT's consumer price index for families of clerical and manual workers.
If the fund has been operating for a shorter period, indicate the data available for such shorter period and, should the fund be operational for less than three years, indicate the rates of return with respect to each year elapsed.
For contracts whose benefits are directly linked to a UCITS the figures for the average annual return, compared to the benchmark, shall refer to the last 3 and 5 solar years.
State the following warning under the tables illustrating the compound average annual return for each fund: ***"Attention: past performance is not indicative of future performance".***

Information is reported on the basis of the following examples:

Compound average annual return			
	Last 3 years	Last 5 years	Last 10 years
"Alpha" fund	%	%	%
Benchmark	%	%	%

Compound average annual return			
	Last 3 years	Last 5 years	Last 10 years
"Gamma" fund	%	%	%
Benchmark	%	%	%

Average inflation rate		
Last 3 years	Last 5 years	Last 10 years
%	%	%

7. Illustration of historical data on the return of the segregate fund

For increasing benefits annuities, state the following phrase ***"This section reports the rate of return of the segregate fund "……." to which the annuity is linked over the last 5 years and the corresponding minimum rate of return attributed to policyholders. The data is compared with the average rate of return of State bonds and securities and with the ISTAT's consumer price index for families of clerical and manual workers".***

Suitably adapt the phrase for annuities in currency.

This section must provide tables to indicate the rate of return realised by the segregate fund to which annuities are linked, along with the minimum rate of return allocated to policyholders over the last five observation periods. Given that the return on specific segregate funds may depend on a series of variables (premium level, amount of premiums paid during the term of the contract, ….) the table must be calculated, based on results achieved by the segregate fund, by applying the minimum percentage of the return allocated to policyholders, indicated in the Summary Profile.
This data is compared with the average rate of return of State bonds and securities and the inflation rate calculated on the ISTAT's consumer price index referred to families of clerical and manual workers.
If the segregate fund has been in operation since a shorter period of time, indicate all the data for this shorter period.

State the following warning under the table: ***"Attention: past yields are not indicative of future yields".***

Information is reported according to the following exemplification:

Year	Return realised by the segregate fund	Minimum return allocated to policyholders	Average return of State bonds and securities	Inflation
N-4	%	%	%	%
N-3	%	%	%	%
N-2	%	%	%	%
N-1	%	%	%	%
N	%	%	%	%

The table must be suitably adapted for contracts with annuity benefits expressed in currency. In particular, apart from the rates of return realized and allocated to policyholders and long-term interest rates of foreign currency securities in which benefits are expressed, the annual percentage variations in the exchange rates of foreign currencies against the Euro are provided, based on the following outline:

Year	Return realised by the segregate fund	Minimum return allocated to policyholders	Rate of return of long-term securities	% variation of exchange rates
N-4	%	%	%	%
N-3	%	%	%	%
N-2	%	%	%	%
N-1	%	%	%	%
N	%	%	%	%

8. Cooling off period

State the following phrase: "***The policyholder has the right to revoke the proposal or to cancel the contract. For the relative terms and procedures read section E of the Information Note".***

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Summary Profile".***

Legal representative

Details and handwritten signature

Annex 6

LIST OF THE TYPES OF INSURANCE BENEFITS FOR THE COMPILATION OF THE SUMMARY PROFILES

The description of the insurance benefits indicated in the following list must be read along with the provisions in the section "Insurance benefits" of the Model Summary Profiles (annexes 1, 2, 3, 4 and 5).
For the types of benefits that provide specific covers not included in the list, suitably adapt the descriptions provided.

BENEFITS IN CASE OF SURVIVAL OF THE INSURED PARTY	
Definition	Description of the benefit
Capital	***In case of survival of the insured at contract maturity, the payment of the insured capital to the beneficiaries indicated by the policyholder in the policy.***
Immediate life/temporary annuity	***The immediate payment to the beneficiaries indicated by the policyholder in the policy of a life/temporary annuity as long as the insured is alive /for .. .years.***
Immediate guaranteed annuity and then life annuity	***The immediate payment to the beneficiaries indicated by the policyholder in the policy of an annuity guaranteed for the first … years and then as long as the insured is alive.***
Immediate joint annuity	***The immediate payment to the beneficiaries indicated by the policyholder in the policy of a life annuity till the death of the insured and afterwards a joint annuity, entirely or partially in favour of a second person/more than one person as long as he/she/they is/are alive.***
Deferred life/temporary annuity	***In case of survival of the insured at the time set by contract for the enjoyment of the periodic annuity, the payment to the beneficiaries indicated by the policyholder in the policy of a life/temporary annuity as long as the insured is alive/for ... years.***
Deferred guaranteed annuity and then life annuity	***In case of survival of the insured at the time set by contract for the enjoyment of the periodic annuity, the payment to the beneficiaries indicated in the policy by the policyholder of an annuity guaranteed for the first … years and then as long as the insured is alive.***
Deferred joint annuity	***In case of survival of the insured at the time set by contract for the enjoyment of the periodic annuity, the payment to the beneficiaries indicated by the policyholder in the policy of a life annuity till the death of the insured and afterwards a joint annuity, entirely or partially in favour of a second person/more than one person as long as he/she/they is/are alive.***
Payment of periodic sums	***In case of survival of the insured at the annual contract renewal/at maturity, the payment to the beneficiaries indicated by the policyholder in the policy of periodic predefined/variable amounts.***
Bonus at maturity	***In case of survival of the insured at contract maturity*** *(where contemplated, insert the following words:* ***on condition that all premiums due have been paid), the payment to the beneficiaries indicated by the policyholder in the policy of a bonus in the form of an increase in the insured capital based on a predefined standard.***
Periodic bonuses	***In case of survival of the insured at the predefined renewal dates*** *(where contemplated, insert the following words:* ***on condition that all premiums due have been paid) the payment to the beneficiaries indicated by the policyholder in the policy of a bonus in the form of an increase in the insured capital based on predefined terms and standards.***

BENEFITS IN CASE OF DEATH OF THE INSURED PARTY	
Definition	Description of the benefit
Counter-insurance of the premiums paid	***In case of death of the insured during the term of the contract/during the deferment, the payment of an amount equal to the premiums paid*** **(***specify if net of any rights and/or if increased due to any revaluations***)**
Special counter-insurance	***In case of death of the insured during the term of the contract/during the deferment, the payment of a predefined amount in proportion to the premiums paid/the insured capital.***
Whole life assurance	***In case of death of the insured, whenever it occurs, the payment of the insured capital to the beneficiaries indicated by the policyholder in the policy.***
Capital	***In case of death of the insured during the term of the contract, the payment of the insured capital*** *(where contemplated, insert the following words:* ***increasing/decreasing on the basis of a predetermined law) to the beneficiaries indicated by the policyholder in the policy.***
Fixed term	***In case of death of the insured during the term of the contract, the payment of the insured capital to the beneficiaries indicated in the policy by the policyholder only at contract maturity.***
Bonus	***In case of death of the insured during the term of the contract/during deferment*** *(where contemplated, insert the following words:* ***on condition that all premiums due have been paid), the payment to the beneficiaries indicated by the policyholder in the policy of a bonus in the form of an increase in the insured capital based on a predefined standard.***
Immediate life/temporary annuity	***In case of death of the insured during the term of the contract, the immediate payment of a life/temporary annuity to the beneficiary indicated in the policy as long as the latter is alive /for … years.***
Exemption from payment of premiums	***In case of death of the insured exemption from payment of the remaining premiums relating to the main benefit.***

BENEFIT IN CASE OF PERMANENT DISABILITY RESULTING FROM ACCIDENT/SICKNESS OF THE INSURED	
Definition	Description of the benefit
Capital	***In the event of accident/sickness of the insured resulting in permanent disability*** *(where contemplated, insert the words***: superior to …%) the payment to the policyholder of an indemnity in the form of capital.***
Life/temporary annuity	***In the event of accident/sickness of the insured resulting in permanent disability*** *(where contemplated, insert the words***: superior to …%), the payment to the policyholder of a life/temporary annuity to be corresponded from the time the disability is ascertained as long as the insured is alive /for … years.***
Exemption from payment of premiums	***In the event of accident or sickness of the insured resulting in permanent disability*** *(where contemplated, insert the words***: superior to …%), the exemption from payment of the remaining premiums relating to the main benefit.***

BENEFIT IN CASE OF DEPENDENCY OF THE INSURED PARTY	
Definition	Description of the benefit
Life/temporary annuity	***The payment to the insured of a life/temporary annuity in the event of loss of the insured's self-sufficiency in the performance of the basic activities of daily living, to be corresponded from the time that dependency is ascertained for as long as the insured is alive and dependent/for ... years.***
Capital	***The payment of capital to the insured in the event of loss of the insured's self-sufficiency in the performance of the basic activities of daily living.***
Exemption from payment of premiums	***The exemption from payment of the remaining premiums relating to the main benefit in the event of loss of the insured's self-sufficiency in the performance of the basic activities of daily living.***

BENEFIT IN CASE OF SERIOUS ILLNESS OF THE INSURED PARTY	
Definition	Description of the benefit
Capital	***The payment of capital to the insured from the time of diagnosis of serious illness of the insured himself/herself.***
Advance of capital	***The advance to the insured*** *(where contemplated, insert the words:* ***of a part) of the capital insured in the event of death from the time of diagnosis of serious illness of the insured himself/herself*** *(where contemplated, insert the words:* ***and payment of the difference at the time of the insured's decease).***
Exemption from payment of premiums	***The exemption from payment of the remaining premiums relating to the main benefit if a serious illness of the insured is diagnosed.***

BENEFIT IN CASE OF LONG TERM DISABILITY OF THE INSURED PARTY	
Definition	Description of the benefit
Temporary annuity	***The payment to the insured of a temporary annuity for the period of time during which, due to accident or illness, the insured himself/herself is totally incapable of receiving an income from employment.***

CAPITAL REDEMPTION OPERATIONS	
Definition	Description of the benefit
Capital	***The payment of a capital at contract maturity to the beneficiaries indicated by the policyholder in the policy.***

CONTRACTUAL OPTIONS	
Definition	Description of the benefit
Option for the conversion of capital into life/temporary annuity	***The conversion of capital at maturity/surrender value into a life/temporary annuity payable as long as the insured is alive/for … years.***
Option for the conversion of capital into a guaranteed annuity and then life annuity	***The conversion of capital at maturity/surrender value into an annuity guaranteed for the first … years and then as long as the insured is alive.***
Option for the conversion of capital into a joint annuity	***The conversion of capital at maturity/surrender value into a life annuity payable till the death of the insured and afterwards a joint annuity, entirely or partially in favour of a person/more than one person as long as he/she/they is/are alive.***
Option for the conversion of capital into a guaranteed annuity	***The conversion of capital at maturity/surrender value into an annuity guaranteed for … years.***
Option for the conversion of an annuity into capital	***At the end of the deferment period, the conversion of the annuity into capital.***
Option for the conversion of a life annuity into a guaranteed and then life annuity	***At the end of the deferment period, the conversion of the life annuity into an annuity guaranteed for the first … years and then as long as the insured is alive.***
Option for the conversion of a life annuity into a joint annuity	***At the end of the deferment period, the conversion of the annuity into a life annuity to be corresponded till the death of the insured and afterwards into a joint annuity, entirely or partially in favour of a second person/more than one person as long as he/she/they is/are alive.***
Option for the conversion of the sum payable at death into life/temporary annuity	***The conversion of the sum payable in case of death of the insured into a life/temporary annuity to be paid to the beneficiary indicated by the policyholder in the policy as long as the beneficiary is alive/for … years.***
Deferment of capital at maturity	***The deferment of capital payment at maturity for up to a maximum of ... years.***
Deferment of the annuity at the end of the deferment period	***At the end of the time defined for enjoying the annuity, the deferment of its payment for up to a maximum of ... years.***

SUPPLEMENTARY GUARANTEES	
Definition	Description of the benefit
Doubling or tripling of the sum insured in case of death caused by an accident or road accident	***In the event of death of the insured before contract maturity as a result of an accident or road accident, two or three times the sum insured in case of death.***
Benefit for orphans	***In the event of death of the insured's spouse at a time following the insured's decease, the payment of a capital to the surviving orphan.***
Benefit for surgical operations	***The advance to the insured of part of the capital insured in order to cover the costs of surgical operations.***

Annex 7

MODEL INFORMATION NOTE
LIFE ASSURANCE AND CAPITAL REDEMPTION CONTRACTS

Insert the following phrase: ***"The present Information Note has been drawn up pursuant to the model proposed by ISVAP, but its contents are not subject to prior approval by ISVAP".***

The Information Note is made up of six sections (four relating to pure risk contracts):

A. INFORMATION ON THE INSURANCE UNDERTAKING
B. INFORMATION ON INSURANCE BENEFITS AND GUARANTEES OFFERED
C. INFORMATION ON THE SEGREGATE FUND
D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME
E. OTHER INFORMATION ON THE CONTRACT
F. EXEMPLIFYING SCHEME OF BENEFITS

A. INFORMATION ON THE INSURANCE UNDERTAKING

1. General Information
Insert:

a) corporate name, legal form and parent group (if any);
b) address of the head office and general management if different, including the name of the State;
c) address of any branches with which the contract will be concluded, including the name of the State;
d) telephone number, Internet site and e-mail address;
e) details of the authorisation to conduct business. Foreign undertakings must specify if they operate in Italy by way of establishment or of free provision of services and indicate the supervisory authority to whose control they are subject. They shall also indicate in bold types if they invest premiums in assets not allowed for under Italian law regulating life assurance;
f) corporate name and address of the undertaking's auditing company.

2. Conflict of interests
Describe situations of conflict of interest, including those deriving from group relations, own business relations or from those of companies of the group.
Indicate any limits referring to group relations included in the regulations of the segregate fund that the undertaking proposes to abide by in order to guarantee policyholders against possible conflicts of interest.
Indicate that the undertaking, even in situations of conflicts of interest, takes care not to prejudice the interests of policyholders.
Indicate if the undertaking has reached fee-sharing agreements and summarily illustrate their contents. Refer to the annual report of the segregate fund for quantifying the benefits resulting from the agreements and assigned to policyholders. For benefits represented by services, indicate the relative monetary value in the foregoing report.
State that the company is committed to obtain the best possible result for policyholders regardless of the existence of such agreements.

B. INFORMATION ON INSURANCE BENEFITS AND GUARANTEES OFFERED

3. Insurance benefits and guarantees offered

Indicate the minimum and maximum duration of the contract or the fixed duration if stated in the contract.

Describe the insurance benefits provided for under the contract (principal, ancillary and/or supplementary benefits).

State that part of the premium paid by the policyholder will be used by the undertaking to cover the demographic risks provided for under the contract (death, disability ...); make clear that, on account of the above, the capital at maturity is the result of the capitalisation of the amounts paid, net of the costs and of the part of the premium used to cover the pure risk[1].

Provide separately for all insurance benefits – indicating in bold characters any periods during which risk cover is suspended or limited – information in conformity with the following model:

BENEFIT IN THE EVENT OF ……… (indicate the benefit and repeat the information for each benefit).

Specify if there are any guarantees of conservation of capital or payment of a minimum interest, and indicate the relevant amount and – if any – the periodic consolidation; if not, specify that the contract envisages a guaranteed minimum interest only at contract maturity.

With respect to contracts with recurrent single premiums indicate if guaranteed interest rates are contemplated which may vary on the basis of mechanisms defined in the policy conditions and in compliance with article 23 of legislative decree 174/95 and the ISVAP order 1036/98. If so, describe these mechanisms and specify that the new rate applies only to the payments following the entry into force of such change, on condition that the policyholder receives previous written information about the rate variation introduced, referring to point 21 as concerns time and manner of communication.

For pure risk contracts, using bold characters, draw the policyholder's attention to the necessity to read the recommendations and warnings provided in the proposal regarding the compilation of the health questionnaire.

For policies with benefits denominated in a foreign currency, emphasise that the policyholder bears an exchange risk and indicate its possible effects.

4. Premiums

Specify that the premium is set in relation to the guarantees offered, to their duration and amount, to the insured party's age and sex and, regarding risk coverage, to his/her state of health and profession.

Indicate the frequency of premium payments (single premium, annual premiums and recurrent single premiums ...).

Indicate in bold types the minimum number of annual premiums to be paid in order to mature the right to surrender or paid-up values, specifying that the policyholder loses any amounts paid in the case of non-payment of these annual premiums.

Specify if premiums can be paid by instalments and refer to point 8.1.1 for the relevant costs.

Illustrate any mechanisms for automatically adjusting the premium and indicate any rights of the policyholder to limit or refuse premium increases, and describe the relative arrangements and economic effects.

[1] Adjust the wording according to the different types of tariffs.

Specify the means of premium payment required by the company[2].
For pure risk contracts insert the tables illustrating premiums described in annex 12.

5. Arrangements for calculating and assigning profit-sharing
Indicate any kind of profit-sharing mechanism, specifying terms and times for bonus assignment as well as for application or non-application of the consolidation guarantee, indicating the time when the latter operates (annual consolidation, only upon maturity ...).
In the case of increasing benefit contracts, also indicate the name of the segregate fund and refer to Section C for further details.
To illustrate the effects of the profit-sharing mechanism, refer to Section F containing the Exemplifying Scheme of the development of premiums, of insured benefits and of surrender and paid-up values.
State the pledge to submit an Exemplifying Scheme drawn up in a personalised manner to the policyholder no later than the date on which the latter is informed that the contract is concluded.

6. Contractual Options
Illustrate the options that may be exercised according to contract terms, stating the times and arrangements for exercising them. Express the commitment of the undertaking to provide policyholders/beneficiaries with a written summary description of all the options exercisable – no later than sixty days before the scheduled date for exercising the option – illustrating the relative costs and economic conditions whenever not predetermined in the original policy conditions. This communication must envisage the commitment of the company to transmit, before the exercise of the option, the Summary Profile, the Information Note and the policy Conditions referring to the insurance covers for which the policyholder/beneficiary expressed an interest.

C. INFORMATION ON THE SEGREGATE FUND (only for increasing benefits contracts)

7. Segregate fund
In the event that the benefits are reassessed on the basis of the yield of a segregate fund indicate:

a) the name of the segregate fund;
b) the currency of denomination;
c) the objectives of the fund, with special regard to the guarantees of conservation of capital and/or payment of a minimum return;
d) the observation period for assessing returns;
e) the composition of the fund, with particular reference to the principal financial instruments or other assets, as well as the presence of any minimum or maximum investment limits in given categories of assets provided for in the fund regulations;
f) the percentage weight[3] of the investments in financial instruments or other assets issued or managed by entities belonging to the same group as the insurance undertaking;
g) a brief description of the management style adopted.

Indicate the name of the subject to whom the asset management is entrusted and the name of the auditor of the segregate fund.

For further details refer to the regulations governing the segregate fund which are an integral part of the policy conditions.

[2] With reference to contracts underwritten through bank channels, for which the periodic premium is normally paid by automatic debit to the policyholder's current account, the undertaking should indicate any alternative premium payment arrangements if the bank account is closed.
[3] Represent this information by using a percentage scale with intervals corresponding to 10%.

D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME

8. Costs[4]

8.1. Costs charged directly to the policyholder

8.1.1. Costs charged to the premium
Set out as a table all the costs applied to the premiums paid, whether expressed as percentages and/or absolute values, specifying their nature and illustrating the costs for issuing the contract. The percentage values must be stated to the first decimal point.
For contracts where the costs charged to the premium are based on the insured's age and sex, contract duration and/or premium amount, the table may express costs in ranges (of age and/or duration) in order to avoid an excessive overloading of contract documentation and also to ensure that full information is provided. The range definition must produce an oscillation in given cost values not in excess of 0.2%.
State the intention to communicate any cost deriving from the specific combination of the aforesaid variables in a customised exemplifying scheme.

8.1.2. Surrender costs
Indicate the costs, whether in percentage values and/or in absolute values, applied in the event of surrender. For contracts in which the surrender value is determined by deducting from benefits insured the number of years and fractions of year to maturity at a preset rate, provide a table illustrating the benefit percentage reductions for the various residual durations expressed in full years.
If the rate is not set but may be determined based on a parameter predefined in contract conditions, adopt the parameter level in force at the time when the Information Note was drawn up. In this case, insert the warning that any values represented are subject to parameter variations as contemplated in the mechanism for determining the surrender value.

8.2. Costs charged to the fund's return
Provide a table indicating the charge applied by the undertaking on the return of the segregate fund, with any minimum percentage of return retained. When the undertaking retains costs directly from the income on the assets of the segregate fund, indicate to what measure this occurs.

9. Extent and arrangements for any discounts
Indicate the amount and conditions for the application of any discounts taking due account of the provisions of the law in force.

10. Tax regime
Indicate the tax regime to which the contract is subject.

E. OTHER INFORMATION ON THE CONTRACT

11. Arrangements for executing the contract
Describe the procedures for executing the contract and indicate the commencement date for insurance cover. The execution and commencement dates must be clearly identifiable by the policyholder.

[4] Compile the following point for all with profit life assurance and capital redemption contracts, in any way determined and attributed.

12. Termination of the contract and suspension of premium payments

Indicate that the policyholder has the right to terminate the contract by suspending the payment of premiums, subject to the following effects:

a) termination of the contract, with loss of premiums already paid (highlighted in bold type), in the case of non-payment of the minimum required number of annual premiums (indicate the number);
b) termination of the contract, with recognition of the surrender value calculated according to contract conditions, in the case of payment of the minimum required number of annual premiums.

For the policyholder who has paid the minimum required number of annual premiums, highlight the possibility to suspend payments, yet to maintain the contract in effect for a reduced benefit up to its maturity (paid-up clause).
Indicate the faculty to reactivate the contract, defining terms, times and economic conditions.

13. Surrender and paid up values

Specify if the contract acknowledges a paid up and surrender value, highlighting in bold types in which case these values are not contemplated.
Indicate the procedures for calculating surrender and paid up values (if necessary, refer to point 8.1.2.). Indicate the details (address, telephone, fax and e-mail) of the office of the undertaking designated to provide information on such values.
Highlight, in bold characters, if the possibility exists that such values may be inferior to the premiums paid in.
Refer to the Exemplifying Scheme under Section F for a description of the development of surrender and paid up values, specifying that the accurate values will be contained in the customised scheme.

14. Revocation of the proposal

Indicate the procedures with which the revocation of the proposal, to be exercised in conformity with the law in force, is communicated to the undertaking. Specify that the undertaking is required to reimburse any sums paid by the policyholder within thirty days from the receipt of the communication, with the right to withhold the issuing costs of the contract actually incurred referred to under point 8.1.1., on condition that they are quantified in the proposal.

15. Right to cancel the contract

Indicate the procedures with which the right to cancel the contract, exercisable by the policyholder in conformity with the law in force, within thirty days from the time when he/she was informed of the conclusion of the contract, is to be communicated to the undertaking.
Specify that the undertaking is required to reimburse the premium within thirty days from the receipt of the communication, with the right to charge the costs for the issue of the contract as indicated under point 8.1.1., on condition that these are quantified in the proposal and in the contract, as well as that part of the premium referring to the period during which the contract was in force.

16. Documents to be submitted to the undertaking for the payment of benefits

Refer to the article on the policy conditions that indicates the documents that the policyholder or beneficiary must present in the various circumstances in which benefits are paid by the undertaking.
Specify the term for the payment recognised to the undertaking and draw the policyholder's attention to the time when the benefits will be invalidated by prescription under current law.

When a pre-printed form is used to request the payment of benefit and this form contains the list of the documents to present for the various circumstances in question, refer to it and state that it is included among the contractual documents.

17. Law applicable to the contract

Indicate that the contract is subject to Italian law, if the parties have made no choice; otherwise state the national law the undertaking proposes to choose and specify that mandatory rules of Italian law will in any case prevail.

18. Language in which the contract is drawn up

Indicate that the contract, and every document attached to it, are drawn up in Italian, unless otherwise chosen by the parties. In the case an alternative language is chosen, indicate the language the undertaking proposes to adopt.

19. Complaints

Indicate that ***"Any complaints concerning the contractual relationship or the management of claims must be forwarded in writing to the undertaking (indicating the company unit, address, fax and email address). If the complainant is dissatisfied with the outcome of his/her complaint or in the case no reply is received within the maximum term of forty-five days, he/she may contact ISVAP, Servizio Tutela degli Utenti, via del Quirinale 21, 00187 Rome, telephone 06.42.133.1, providing supporting documentation for his/her complaint against the undertaking. As concerns litigation on the quantification of benefits, complainants are reminded that this is the exclusive jurisdiction of the judicial authorities, apart from the possibility to opt for arbitration procedures, if any".***

In the event that the contract is subject to the law of another country, indicate the competent body as stated in the chosen legislation.

20. Additional disclosure

State the commitment to submit – before the conclusion of the contract and if so requested by the policyholder – the latest annual report on the segregate fund and the last prospectus illustrating the composition of such fund. Indicate its availability on the undertaking's web site.

21. Information during the term of the contract

With respect to contracts with recurrent single premiums that contemplate guaranteed interest rates which may vary on the basis of mechanisms defined in the policy conditions in compliance with article 23 of legislative decree 174/95 and the ISVAP order 1036/98, the undertakings shall state their commitment to communicate variations in the rate to the policyholder, specifying that such variations do not affect the benefits accrued in relation to premiums already paid but are exclusively applied to premiums falling due after the date on which the variation was communicated.

State the pledge to immediately communicate any variations made in the information given to the policyholder in the Information Note or in the segregate fund's regulations, including those resulting from changes to the law after the conclusion of the contract.
Make a pledge to transmit the annual statement of account of the insurance position within sixty days from the end of each solar year or from the date envisaged in the policy conditions for the increase of insured benefits. Such statement must contain, at least[5]:

a) the total amount of premiums paid from the execution of the contract until the reference date of the previous statement of account and the value of the accrued benefits at the reference date of the previous statement of account;

[5] This requirement also applies to single premium contracts and paid up contracts.

b) details of premiums paid in the reference year, illustrating any unpaid premiums and stating the results of the non-payment;
c) any partial surrender in the reference year;
d) value of accrued benefits at the reference date of the statement of account;
e) surrender value accrued at the reference date of the statement of account;
f) for increasing benefits contracts, the annual rate of financial return achieved by the fund, the percentage of the rate of return recognised to policyholders, the annual rate of return to policyholders with indications of any charges applied by the undertaking, and the annual rate for increasing benefits. For with-profit contracts other than those specified above, the statement of account will state the profits allocated to the contract in the reference year.

22. Communications from the policyholder to the undertaking

Draw the policyholder's attention to the provisions under article 1926 of the Civil Code in relation to communications to be sent to the undertaking concerning any changes in the policyholder's profession which may have occurred during the contract period.

F. EXEMPLIFYING SCHEME OF BENEFITS

Insert the following sentence: ***"This projection is an example of the development of premiums, insurance benefits and surrender and paid-up values, as envisaged under the contract. This projection is based on a pre-defined combination of premium, duration, frequency of premium payments, age and sex of the insured party.***
Developments of increasing benefits, surrender and paid up values reported hereunder are calculated on the basis of two different values:

a) ***the minimum contractually guaranteed rate of return***;
b) ***an assumption of constant annual return set by ISVAP and, at the time of writing the present scheme, equal to ...."***. Indicate that the percentage of the rate of return recognised to policyholders stipulated in the contract conditions applies to the aforesaid rate of return, where applicable, taking account of any minimum rate retained by the undertaking or any cost charged to this return. Illustrate that the consequent measure for increasing benefits is obtained by unbundling any technical interest rate already acknowledged in the calculation of the initial capital insured.

Indicate that: *"**The values developed on the basis of the guaranteed minimum rate represent the guaranteed benefits that the undertaking is bound to pay on the basis of the policy conditions, when the contract is in order with premiums payments, and they do not therefore consider any hypothesis on future profit-sharing".***
Suitably adapt the aforesaid sentence for contracts providing a guaranteed return only upon maturity.
For contracts with recurrent single premiums that do not have minimum predefined rates of return or rates that may in any way vary according to mechanisms indicated by contract, undertakings shall use the technical rate adopted in the tariff.
Indicate that: ***"The values developed based on the rate of return set by ISVAP are merely indicative and do not in any case bind the undertaking. In fact, there is no certainty that the applied hypotheses on the benefit development will effectively be achieved. The results achieved by the investments management could differ from the yield hypotheses employed"***.

DEVELOPMENT OF PREMIUMS, BENEFITS AND SURRENDER AND PAID UP VALUES ACCORDING TO:

A) GUARANTEED MINIMUM RATE OF RETURN

- Guaranteed minimum rate of return: ………%
- Age of the insured: ……..
- Duration: ……
- Sex of the insured: …….
- Any other assumptions: ……

Years elapsed	Annual Premium	Total amount of annual premiums	Capital insured at the end of the year	Discontinuance of premium payments		
				Surrender value at the end of the year	Paid up Capital at the end of the year	Paid up Capital at maturity
1						
2						
3						
…						
…						
…						
Maturity						

State the following sentence: ***"The surrender involves an economic penalty. As can be seen from the table, the recovery of premiums paid may take place, based on the minimum contractually guaranteed rate of return, after payment of ...... annual premiums*** (indicate the number of annual premiums).
Suitably adapt the aforesaid sentence for contracts providing a guaranteed return only upon maturity.

B) HYPOTHESIS OF FINANCIAL RETURN

- Financial rate of return: ……%
- Any charge on the return:…….
- Percentage of the rate of return recognised to policyholders: ....%
- Rate of return recognised to policyholders:….%
- Age of the insured: ……..
- Duration: ……
- Sex of the insured: …….
- Any other assumptions: ……

Years elapsed	Annual Premium	Total amount of annual premiums	Capital insured at the end of the year	Discontinuance of premium payments		
				Surrender value at the end of the year	Paid up Capital at the end of the year	Paid up Capital at maturity
1						
2						
3						
…						
…						
…						
Maturity						

If the insured capital in case of death is different from the capital in case of survival, integrate the exemplification tables. Also adapt the tables when the tariff does not procure paid up benefits.

State that the benefits indicated in the above tables are all before tax.

* * *

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Note".***

Legal representative

Details and handwritten signature

Annex 8

MODEL INFORMATION NOTE
UNIT-LINKED CONTRACTS

Insert the following phrase: ***"The present Information Note has been drawn up pursuant to the model proposed by ISVAP, but its contents are not subject to prior approval by ISVAP".***

The Information Note is made up of six sections:

A. INFORMATION ON THE INSURANCE UNDERTAKING
B. INFORMATION ON INSURANCE BENEFITS AND FINANCIAL RISKS
C. INFORMATION ON THE FUND TO WHICH THE INSURANCE BENEFITS ARE LINKED
D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME
E. OTHER INFORMATION ON THE CONTRACT
F. HISTORICAL DATA ON THE FUND

A. INFORMATION ON THE INSURANCE UNDERTAKING

1. General Information
Insert:

a) Corporate name, legal form and parent group (if any);
b) address of the head office and general management if different, including the name of the State;
c) address of any branches with which the contract will be concluded, including the name of the State;
d) telephone number, Internet site and e-mail address;
e) details of the authorisation to conduct business. Foreign undertakings must specify if they operate in Italy by way of establishment or of free provision of services and indicate the supervisory authority to whose control they are subject. They shall also indicate in bold types if they invest premiums in assets not allowed for under Italian law regulating life assurance;
f) corporate name and address of the undertaking's auditing company.

2. Conflict of interests
Describe situations of conflict of interest, including those deriving from group relations, own business relations or from those of companies of the group.
Indicate any limits referring to group relations included in the regulations of the internal fund and additional to the quantitative limits fixed by ISVAP that the undertaking proposes to abide by in order to guarantee policyholders against possible conflicts of interest.
Indicate that the undertaking, even in situations of conflicts of interest, takes care not to prejudice the interests of policyholders.
Indicate if the undertaking has reached fee-sharing agreements and summarily illustrate their contents. Refer to the annual report for quantifying the benefits resulting from the agreements and assigned to policyholders. For benefits represented by services, indicate the relative monetary value in the foregoing report. In the case of contracts directly linked to UCITS indicate the restitution arrangements to policyholders and how the latter is communicated to them.
State that the company is committed to obtain the best possible result for policyholders regardless of the existence of such agreements.

B. INFORMATION ON INSURANCE BENEFITS AND FINANCIAL RISKS

3. Financial risks

Illustrate the peculiarities of the unit-linked contract, stressing that it is a contract whose benefits are linked to the value of the units of a fund (internal or UCITS), which in their turn depend upon fluctuations in the price of the financial assets which the units represent.
Describe all the financial risks (pricing, interest rate, exchange rate, counterpart, liquidity ……), which the policyholder accepts by taking out a contract.

4. Information on the investment of premiums

Indicate if the premiums, net of relative costs, will be invested (also indicate any policyholder's right to choose several funds):

- in units of a fund or funds internal to the insurance company;
- in units of a fund or funds internal to the insurance company, with successive acquisition of units of a UCITS;
- in units of a UCITS.

State that part of the premium paid by the policyholder will be used by the undertaking to cover the demographic risks provided for under the contract (death, disability ...) and, therefore, that this part, as also that withheld to cover contractual costs, will not be counted in the calculation of the benefit.

Explain the procedures for writing premiums to cover pure risk. In the event that the risk premium is written by the undertaking by deducting units on an individual basis, indicate that the undertaking will make annual communications to the policyholder of the deductions made.

5. Insurance benefits

Indicate the minimum and maximum duration of the contract or the fixed duration if stated in the contract.

Describe the insurance benefits provided for under the contract (principal, ancillary and/or supplementary benefits), and state the relative arrangements for their calculation.
Provide separately for all insurance benefits – indicating in bold characters any periods during which risk cover is suspended or limited - information in conformity with the following model:

BENEFIT IN THE EVENT OF ……… (indicate the benefit and repeat the information for each benefit).

Indicate the existence and amount of any financial guarantees offered by the undertaking.
In the event that the insurance undertaking does not provide any guarantee, specify that the policyholder will bear the risk connected to the negative trend in the value of the units.
In the event that, on policyholder's behalf, the undertaking implements an allocation plan of premiums and accrued capital in order to optimise the risk/yield profile of the contract, state the operating arrangements.
In those cases in which third parties have committed to make pre-determined payments into the fund, indicate the third parties to which the obligation refers, and briefly illustrate the contractual scheme used for this purpose as well as any limitations and conditions for complying with the commitment.

For "capital protected" funds[1] briefly describe and provide examples of management arrangements suitable for such protection. Insert the following warning using bold characters ***"Attention: the protection of capital does not constitute the guarantee of yields or the return of capital invested".***

For the costs of the guarantee offered by the undertaking, of third-party commitments or protection refer to point 11.

Highlight in bold characters if and as a result of what events the possibility may arise that the amount of the benefit is lower than the premiums paid in.

6. Value of the units

Point out the frequency of calculation and of publication of the value of the units, with indication of the daily newspapers and Internet sites publishing current values. Indicate that the published value of the units is net of any costs to be charged to the fund.
Illustrate the arrangements and times for converting units into amounts to be paid when the events stipulated in the contract take place[2].

7. Contractual Options

Illustrate the options that may be exercised according to contract terms, stating the times and arrangements for exercising them. Express the commitment of the undertaking to provide policyholders/beneficiaries with a written summary description of all the options exercisable – no later than sixty days before the scheduled date for exercising the option – illustrating the relative costs and economic conditions whenever not predetermined in the original policy conditions. This communication must envisage the commitment of the company to transmit, before the exercise of the option, the summary profile, the Information Note and the policy conditions referring to the insurance covers for which the policyholder/beneficiary expressed an interest.

C. INFORMATION ON THE FUND TO WHICH THE INSURANCE BENEFITS ARE LINKED

8. Internal fund

In the event that the benefits are linked to internal funds indicate[3]:

a) the name of the fund;
b) the commencement date of the fund's operations and the closure date, if any;
c) the category of the fund[4];
d) the currency of denomination;
e) the objectives of the fund as regards its potential beneficiaries, expressed in terms of capital growth projections;
f) suggested minimum timeframe[5];
g) the fund's risk profile (low, medium-low, medium, medium-high, high, very high) provided for in the regulations and relating to the investment[6];

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[1] These are defined as funds that pursue an investment policy designed to minimise the probability of investment capital loss by deploying special management techniques.
[2] The conversion day must be identified in an unambiguous manner by the policyholder, without expressions that identify this day within a temporal period.
[3] In the case of multi-compartment funds the information must be referred to each compartment.
[4] Use the category the fund belongs to (e.g. bond fund, cash fund, etc. ...) published by ANIA *(the association of Italian insurers)*.
[5] To be expressed as complete years, taking account of the management style and the fund's level of risk.
[6] The risk profile must be assessed taking account of the volatility of the fund's units (mean square deviation of the yields, at least weekly) in the course of the last three years or, alternatively, if this is not available, the relative benchmark. If no benchmark exists, use the expected average annual volatility deemed acceptable. For the attribution of

h) the composition of the fund, with particular reference to the main financial instruments and currency of denomination, geographical areas/reference markets, industrial sectors and/or categories of issuers, where relevant[7], specific risk factors, where relevant[8], as well as the presence of any minimum or maximum investment limits in given categories of assets. If the internal fund invests more than 10% in UCITS the same information must be provided in relation to the underlying assets of the UCITS;
i) the percentage weight[9] of the investments in financial instruments and in CIUs set up or managed by asset management companies belonging to the same group as the insurance undertaking;
l) a brief description of the management style adopted, with the indication of the characteristics of the investment selection process and any risk management techniques used by the fund[10];
m) the benchmark indicating the existing relation between this parameter and the fund's yield objectives[11]. Summarily describe the benchmark, that must comply with the principles fixed by ISVAP. In the event that the benchmark does not represent a significant parameter for the management style adopted, illustrate the reasons and indicate the expected average annual volatility of the units deemed acceptable for identifying the fund's risk profile. Explain the meaning of this last indicator;
n) the allocation of income[12];
o) arrangements for the valuation of the units.

If the undertaking indicates in its regulations that it intends to use derivative financial instruments, specify the objectives pursued through the use of the derivatives and their fit with the fund's risk profiles. Indicate that ***"Insurance law prohibits the use of derivative instruments for speculative purposes".***

Indicate the name of the subject to whom the management of the fund is entrusted and the name and address of the fund's auditors.

9. Tax credits

Indicate the cases in which, through the purchase of financial instruments by the internal fund, the undertaking accrues tax credits, and illustrate the operational arrangements for assigning them to policyholders (timescale, amount ...). If the undertaking opts not to acknowledge tax credits in favour of policyholders, state the following phrase: ***"The undertaking retains the tax credit which will not, therefore, be attributed to policyholders."*** Specify that on account of the non-attribution of such tax credits the beneficiaries may, indirectly, be subject to a double taxation charge and explain the reasons.

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the risk profile refer to the scale indicated by ISVAP. Insert in the Information Note a caption through which the volatility values can be associated with the various risk profiles indicated by ISVAP.

[7] For example: government, supranational, company, corporate or other issuers.

[8] For example: investments in securities issued by smaller companies, investments in so-called structured securities, duration and minimum rating of the bond component in the portfolio and other risk factors, in line with the prudential limits fixed by ISVAP.

[9] Represent this information by using a percentage scale with intervals corresponding to 10%.

[10] By way of example: "Criteria for choosing financial instruments: oriented to seize opportunities to position the portfolio in the interest rate curves of very short-term government bonds according to developments in the European Central Bank's monetary strategy, while also being orientated to take advantage of security arbitrage …".

[11] State if the undertaking's policy is to replicate the benchmark or to maximise the fund's yield.

[12] In the event that the fund pays profits indicate the criteria whereby the sum to be paid is determined and the distribution arrangements as well as the facilities envisaged for the possible re-investment of profits.

10. UCITS

In the event that the benefits are directly linked to one or more UCITS, besides the information required under point 8 indicate the legal form, name and head office of the pertinent management company.

D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME

11. Costs

11.1. Costs charged directly to the policyholder

11.1.1. Costs charged to the premium

Set out as a table all the costs applied to the premiums paid, whether expressed as percentages and/or absolute values, specifying their nature and illustrating the costs for issuing the contract. The percentage values must be stated to the first decimal point.
If the contract provides for a guarantee offered by the undertaking (repayment of the invested capital, yields …….) or third-party commitments to pay predetermined amounts to the fund or management formulas to protect the capital, indicate the corresponding costs in the table.

11.1.2. Switch and surrender costs

Indicate the costs, whether in percentage values and/or in absolute values, applied for surrender and switch.

11.2. Costs charged to the internal fund

Set out, according to the following scheme, the costs charged to the internal fund and thus, indirectly, to the policyholder.

Remuneration of the insurance undertaking

Indicate in the form of a table:

a) the management commission percentage applied by the undertaking, specifying the unit indicated by the undertaking for the asset allocation service of the "linked" UCITS and for the administration of the contract. State the frequency of such charges on the net assets of the internal fund. If they are inter-yearly charges the information must be supplemented by indicating the corresponding yearly rate;
b) the costs of any guarantee for the repayment of capital or the yield offered by the insurance undertaking;
c) any overperformance commission.

Remuneration of the asset management company (for the purchase of UCITS by the fund)

In the event that the fund's regulations state that the fund assets will be invested in units of UCITS for over 10% of net assets, set forth as a table:

a) the charges connected to the subscription and reimbursement of units of the CIUs by indicating the maximum cost;
b) the management commissions applied by the asset management company by stating the maximum amount of such commissions;
c) any overperformance commissions applied by the asset management company.

Other costs

Indicate the costs of any third-party commitments to contribute predetermined amounts to the fund and any forms of capital-protection management.

List other costs provided for by the regulations governing the internal fund.
Specify that the charges referring to the acquisition and disposal of fund assets insofar as variable cannot be quantified *a priori*.

Refer to the total expenses ratio (TER) for the historical quantification of the foregoing costs.

11.3. Costs charged to the external UCITS

In the case of contracts whose benefits are directly linked to units in UCITS, indicate the costs charged to the external UCITS and thus, indirectly, to the policyholder.
With reference to the UCITS, provide the foregoing disclosure under point 11.2, indicating that the charge for the management commissions applied by the undertaking can only take place by reducing the number of units attributed to the contract.

12. Extent and arrangements for any discounts

Indicate the amount and conditions for the application of any discounts taking due account of the provisions of the law in force.

13. Tax regime

Indicate the tax regime to which the contract is subject.

E. OTHER INFORMATION ON THE CONTRACT

14. Arrangements for executing the contract, paying the premium and converting the premium into units

Describe the procedures for executing the contract and indicate the commencement date for insurance cover. Specify the means of premium payment required by the undertaking[13].
Indicate the frequency of premium payments (annual premiums, single premium and recurrent single premium ...).
Illustrate any mechanisms for automatically adjusting the premium and indicate any rights of the policyholder to limit or refuse premium increases, and describe the relative arrangements and economic repercussions.

In the case that the undertaking wishes to propose the payment of the premiums into new funds or compartments set up successively, indicate the undertaking's obligation to submit in advance the relevant section[14] of the updated Information Note following the inclusion of the new fund or compartment, together with the regulations governing the internal fund.

Illustrate the procedures and timescale for converting premiums into units.[15]
Indicate that the number of units will be attributed to each policyholder by dividing the premium, net of fees and costs, by the value of the unit on the reference day.

15. Letter confirming the investment of the premium

Specify that the undertaking makes provision to communicate to the policyholder, by a certain term (specify this term by taking account that it cannot be more than 10 working days after the valuation date of the units, understood as the day to which the value of the units refers) the amount of the gross premium for executing the contract and the amount for investment, the contract's

[13] With reference to contracts underwritten through bank channels, for which the periodic premium is normally paid by automatic debit to the policyholder's current account, the undertaking should indicate any alternative premium payment arrangements if the bank account is closed.
[14] Relevant section: section C and section D, points 11.2 and 11.3.
[15] See note 2.

commencement date, the number of units attributed, their value and the valuation date. For contracts that convert the premiums into units according to the date on which the proposal is received and the premium collected, or the collection date of the premium, the relative dates must be stated with the foregoing communication.
Make reference to a similar commitment for the payment of subsequent premiums.

16. Surrender and paid up values
Indicate the procedures for calculating surrender and paid up values in order to allow the policyholder to make autonomous calculations of the relative sums[16]. Indicate the details (address, telephone, fax and e-mail) of the office of the company which can be addressed in order to obtain information on such values.
Highlight, in bold characters, if the possibility exists that such values may be lower than the premiums paid in.
To quantify the costs in the event of surrender refer to paragraph 11.1.2.

17. Switch operations
Indicate any policyholder's rights to disinvest the units held in a fund or a fund compartment and to re-invest them in another, and specify any limits on such switches (maximum number of transfers possible in one year, minimum number of units to transfer ...).
In the case that the undertaking proposes to make a switch to new funds or compartments successively set up, indicate the undertaking's obligation to submit in advance the relevant section[17] of the updated Information Note following the inclusion of the new fund or compartment, together with the regulations governing the internal fund.
For the quantification of costs refer to paragraph 11.1.2.
Indicate the procedures and exact timescales for concluding the switch between funds and send a letter informing policyholders on the number of units reimbursed and those attributed as well as the respective values of the units on the reference day.

18. Revocation of the proposal
Indicate the procedures with which the revocation of the foregoing proposal, to be exercised in conformity with the law in force, is communicated to the undertaking. Specify that the undertaking is required to reimburse any sums paid by the policyholder within thirty days from the receipt of the communication, with the right to retain the issuing costs of the contract actually incurred referred to under point 11.1.1., on condition that they are quantified in the proposal.

19. Right to cancel the contract
Indicate the procedures with which the right to cancel the contract, exercisable by the policyholder in conformity with the law in force within thirty days from the time when he/she was informed of the conclusion of the contract, is to be communicated to the undertaking.
Specify that the undertaking is required to reimburse the premium within thirty days from the receipt of the communication, with the right to charge the costs for the issue of the contract as indicated under point 11.1.1., on condition that these are quantified in the proposal and in the contract, as well as the part of the premium referring to the period during which the contract was in force.
If in the event of cancellation the undertaking intends to take account of the trend in the value of the units attributed to the policyholder for the calculation of the reimbursable value, indicate this choice and state that he or she is entitled to the counter-value of the units in the case of both increases and decreases in value, uprated by all the costs referring to the premium and net of the costs sustained for the issue of the contract as referred to in point 11.1.1. and the premium for the risk run.

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[16] See note 2.
[17] Relevant section: section C and section D, points 11.2 and 11.3.

20. Documents to be submitted to the undertaking for the payment of benefits
Refer to the article on the policy conditions that indicates the documents that the policyholder or beneficiary must present in the various circumstances in which benefits are paid by the undertaking. Specify the terms for the payment recognised to the undertaking and draw the policyholder's attention to the time in which the benefits will be invalidated by prescription under current law.
When a pre-printed form is used to request the payment of benefit and this form contains the list of the documents to present for the various circumstances in question, refer to it and state that it is included among the contractual documents.

21. Law applicable to the contract
Indicate that the contract is subject to Italian law, if the parties have made no choice; otherwise state the national law the undertaking proposes to choose and specify that mandatory rules of Italian law will in any case prevail.

22. Language in which the contract is drawn up
Indicate that the contract, and every document attached to it, are drawn up in Italian, unless otherwise chosen by the parties. In the case an alternative language is chosen, indicate the language the undertaking proposes to adopt.

23. Complaints
Indicate that ***"Any complaints concerning the contractual relationship or the management of claims must be forwarded in writing to the undertaking (indicating the company unit, address, fax and email address). If the complainant is dissatisfied with the outcome of his/her complaint or in the case no reply is received within the maximum term of forty-five days, he/she may contact ISVAP, Servizio Tutela degli Utenti, Via del Quirinale 21, 00187 Rome, telephone 06.42.133.1, providing supporting documentation for his/her complaint against the undertaking. As concerns litigation on the quantification of benefits, complainants are reminded that this is the exclusive jurisdiction of the judicial authorities, apart from the possibility to opt for arbitration procedures, if any".***
In the event that the contract is subject to the law of another country, indicate the competent body as stated in the chosen legislation.

24. Additional disclosure
State the commitment to submit the latest fund report and indicate its availability on the undertaking's web site before the conclusion of the contract, if so requested by the policyholder.

25. Information during the term of the contract
State the pledge to immediately communicate any variations made in the information given in the Information Note or in the fund's regulations to the policyholder, including those resulting from changes to the law after the conclusion of the contract.
Make a pledge to transmit the annual statement of account of the insurance position along with the updating of the historical data stated under the following section F and under section 6 of the Summary Profile, within sixty days from the end of each solar year. Such statement must contain, at least:

a) the total amount of premiums paid from the execution of the contract until 31 December of the preceding year, the number and counter-value of the units as at 31 December of the preceding year;
b) details of premiums paid in, those invested, the number and value of the units assigned in the reference year;
c) number and value of the units transferred and of those assigned following switch operations;

d) number of the units that may have been cancelled during the reference year for the premium relating to pure risk coverage;
e) number and counter-value of the units reimbursed as a result of a partial surrender in the reference year;
f) number of the units cancelled for management commissions in the reference year (only for contracts directly linked to UCITS);
g) overall number of the units and their value at the end of the reference year;
h) value of the guaranteed benefit (only for contracts with financial guarantees).

State the pledge to provide written communication to the policyholder when the value of all the units held during the life of the contract falls by more than 30% with respect to the overall amount of the premiums invested, taking due account of any surrender, and communicate any further reductions of 10% or more. The communication must be made no later than 10 working days after the event takes place.

F. HISTORICAL DATA ON THE FUND

Enter the following data for the internal fund or the UCITS, when the contract is directly related to the latter, which must be updated annually.

26. Historical yield data

Using a bar chart illustrate the annual yield of the internal fund and the benchmark in the course of the last 10 solar years. If the contract is directly linked to a UCITS the foregoing data may be limited to the last 5 solar years.[18].
Use a linear graph to show the trend in the value of the units of the fund and that of the benchmark in the course of the last solar year. Insert the following warning: ***"Attention: past performance is not indicative of future performance***"[19/20].

27. Historical risk data

State – for the previous year – the comparison between the declared *ex-ante* volatility of the fund, that recorded *ex post* and that of the benchmark according to the indications set out in the sections dealing with comparisons in annex II to the annual report of the internal fund (ISVAP circular n. 474/2002).

28. Total Expenses Ratio (TER): actual costs of the internal fund

State in the following manner the percentage ratio, with reference to each solar year in the last three years, between the total costs charged to the internal fund and the average net asset value measured according to the frequency of its valuation.

[18] The numerical data for each year must be denominated in euros. For funds in other currencies, indicate the valuation in both euros and the other currency. If the fund has been operating for less than 10 years, indicate the data available for the shorter period. In the event of significant changes to investment policy or of fund managers, the previous performances must be zeroed. The benchmark must always be indicated for the entire period. In the event that no benchmark is indicated because there is none compatible with management techniques, simply indicate the fund's yield.
[19] The chart must be compiled on a monthly basis. If the performance of the fund is not available for the entire preceding year, simply state the trend of the benchmark specifying that it is not indicative of the future performance of the fund. In order to make a meaningful comparison between the performance of the value of the units and that of the benchmark set out in the bar chart and linear graph, emphasise that the fund's performance reflects costs charged to it while the benchmark is not subject to costs for it is a theoretical index.
[20] See note 18.

	Year	Year	Year
TER	%	%	%

Give evidence that in the calculation of the TER the following costs have been considered:

COSTS CHARGED TO THE INTERNAL FUND	Year	Year	Year
management commissions	%	%	%
any overperformance commissions	%	%	%
TER of the underlying UCITS	%	%	%
charges arising from the acquisition and disposal of assets	%	%	%
administrative and custodian expenses	%	%	%
auditing and fund certification costs	%	%	%
expenses for publishing the value of the units	%	%	%
other costs chargeable to the fund (specify)[21]	%	%	%

Also highlight that the foregoing quantification of the costs does not take account of the costs charged directly to the policyholder, and refer to point 11.1 for their quantification.

In the circumstance that the fund were to invest at least 10% of all its assets in UCITS, the TER of the internal fund must be calculated as the percentage ratio between:

- the sum of the charges directly charged to the fund and those indirectly sustained through investments in the underlying individual UCITS estimated on the basis of their respective TER and weighted by the NAV fraction invested in it
  and
- the average net assets of the fund.

In quantifying the charges any underwriting commissions and UCITS reimbursement must be taken into account. If the TER of one or more underlying UCITS is not available, the relative management commission can be used instead, for such underlying UCITS, on condition that this is duly mentioned.
For its first application, and for the financial year 2005, undertakings can use, as another alternative, the UCITS costs recognised at the valuation date of the units at the end of the financial year.

29. The fund's portfolio turnover

Indicate the fund's portfolio turnover for each solar year in the last three years expressed as the percentage ratio of the sum of the purchases and sales of financial instruments, net of investment and disinvestment of the units of the fund deriving from new premiums and payments, to the average net assets calculated in conformity to the valuation frequency of the units.
For the first application of this indicator only the data referring to the last year may be stated.

Briefly illustrate the economic meaning of the indicator.

Indicate for each solar year in the last three years the percentage weight of transactions in financial instruments conducted through the market traders of the group to which the insurance undertaking belongs.

[21] Include the costs of the undertaking's guarantee, third-party commitments or management protection.

* * *

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Note".***

Legal representative

Details and handwritten signature

Annex 9

MODEL INFORMATION NOTE
INDEX-LINKED CONTRACTS

Insert the following phrase: ***"The present Information Note has been drawn up pursuant to the model proposed by ISVAP, but its contents are not subject to prior approval by ISVAP".***

The Information Note is made up of five sections:

A. INFORMATION ON THE INSURANCE UNDERTAKING
B. INFORMATION ON INSURANCE BENEFITS AND FINANCIAL RISKS
C. INFORMATION ON THE REFERENCE PARAMETER TO WHICH THE INSURANCE BENEFITS ARE LINKED
D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME
E. OTHER INFORMATION ON THE CONTRACT

A. INFORMATION ON THE INSURANCE UNDERTAKING

1. General Information

Insert:

a) Corporate name, legal form and parent group (if any);
b) address of the head office and general management if different, including the name of the State;
c) address of any branches with which the contract will be concluded, including the name of the State;
d) telephone number, Internet site and e-mail address;
e) details of the authorisation to conduct business. Foreign undertakings must specify if they operate in Italy by way of establishment or of free provision of services and indicate the supervisory authority to whose control they are subject. They shall also indicate in bold types if they invest premiums in assets not allowed for under Italian law regulating life insurance;
f) corporate name and address of the undertaking's auditing company.

2. Conflict of interests

Describe situations of conflict of interest, including those deriving from group relations, own business relations or from those of companies of the group. Indicate that the undertaking, even in situations of conflicts of interest, takes care not to prejudice the interests of policyholders.
Indicate if the undertaking has reached fee-sharing agreements and summarily illustrate their contents. Describe the benefits obtained and assigned to policyholders. Indicate the restitution arrangements to policyholders and how the latter is communicated to them.
State that the company is committed to obtain the best possible result for policyholders regardless of the existence of such agreements.

B. INFORMATION ON INSURANCE BENEFITS AND FINANCIAL RISKS

3. Financial risks

Illustrate the peculiarities of the index-linked contract, stressing that it is a contract in which the amounts due by the insurance undertaking depend on fluctuations in the value of one or more indexes or reference values and that, therefore, the policyholder will bear the risk connected to the trend in such indexes or values, according to the specific mechanism linking benefits to them.

Describe all the financial risks (pricing, interest rate, exchange rate, counterpart, liquidity …) which the policyholder accepts by taking out a contract.

4. Insurance benefits

Indicate the minimum and maximum duration of the contract or the fixed duration if stated in the contract.
Indicate the frequency of premium payments (annual premiums, single premium and recurrent single premium ...).
State that part of the premium paid by the policyholder will be used by the undertaking to cover the demographic risks provided for under the contract (death, disability ...) and, therefore, that this part, as also that withheld to cover contractual costs, will not be counted in the calculation of the benefit.
Illustrate any mechanisms for automatically adjusting the premium and indicate any rights of the policyholder to limit or refuse premium increases, and describe the relative arrangements and economic effects.

Describe the insurance benefits provided for under the contract (principal, ancillary and/or supplementary benefits), and state the relative arrangements for their calculation.
Provide separately for all insurance benefits – indicating in bold characters any periods during which risk cover is suspended or limited – information in conformity with the following model:

BENEFITS IN THE EVENT OF ………. (indicate the benefit and repeat the information for each benefit).

Indicate the existence and amount of any financial guarantees offered by the undertaking.
In the event that the insurance undertaking does not provide any guarantee, specify that the policyholder bears the risk connected to the trend in the reference values as also that associated with the insolvency of the issuer or the guarantor of the financial instrument used as a reference value.

Highlight in bold characters if and as a result of what events the possibility may arise that the amount of the benefit is lower than the premiums paid in.
In particular if the benefit is linked to the current value of a financial instrument and the issuing price of this instrument is lower than its nominal value, the initial value of the instrument should be indicated[1], illustrating the negative effects on the benefit.

For the costs of the guarantee offered by the company refer to point 12.

5. Means of calculating insurance benefits

Specify the means of indexing the benefit and, where appropriate, the consolidation of periodical indexations.

6. Contractual Options

Illustrate the options that may be exercised according to contract terms, stating the times and arrangements for exercising them. Express the commitment of the undertaking to provide policyholders/beneficiaries with a written summary description of all the options exercisable – no later than sixty days before the scheduled date for exercising the option – illustrating the relative costs and economic conditions whenever not predetermined in the original policy conditions. This communication must envisage the commitment of the company to transmit, before the exercise of

[1] Value referring to the same date specified by the undertaking pursuant to point 10.

the option, the Summary Profile, the Information Note and the policy conditions referring to the insurance covers for which the policyholder/beneficiary expressed an interest.

C) INFORMATION ON THE REFERENCE PARAMETER TO WHICH THE BENEFITS ARE LINKED

7. Benefits linked to a share index
In the event that the benefits are directly linked to a share index indicate:

a) the composition of the share index;
b) the reference market of the share index, by specifying that this means the market on which the shares composing the index are dealt in;
c) the information source from which the values of the share index are taken as a reference for their valuation;
d) the terms and frequency for the determination of the index;
e) the implications of the suspension or non-determination of the share index or of any other turmoil in the share index, the reference market or the financial instruments on which it is based.

Insert a linear graph illustrating the past trend of the index on an annual basis taking a period similar to the duration of the contract. If the data are not available for this period, insert the values for the shorter period available. State the following warning at the bottom of the graph: ***"Attention: The past trend is not indicative of the future trend".***

8. Benefits associated with a basket of share indexes
If the benefit is directly linked to a basket of share indexes describe the composition of the basket and provide, for each share index, all the information referred to under the preceding point 7. If the characteristics of the basket permit it, present a specially constructed annualised linear graph referring to the past trend of the basket, and based upon a period similar to the duration of the contract, or a shorter period if data on a longer period are not available. If this is not possible a chart or table relating to the performance of each index must be shown, and any significant correlation between the performance of the various indexes must be highlighted. State the following warning at the bottom of the graph: ***"Attention: The past trend is not indicative of the future trend".***

9. Benefits linked to another reference value
In the event that the benefits are directly linked to another reference value indicate:
a) the name and nature of the financial instruments (as defined in article 1 of legislative decree 58/1998 and implementation regulations) on which the value is based;
b) the main reference market on which the financial instruments are dealt in;
c) the information source from which the reference value is taken;
d) the means and frequency of calculating the reference value;
e) the implications of the suspension, writing off, non-determination or any other disruption event for the reference value or the financial instruments on which it is based.

In order to give a clear picture of the whole financial structure from which the risk/return profiles of the contract stem the characteristics of the indexes and/or assets underlying the above instruments must also be adequately described.
If benefits are directly linked to the current value of the assets representing the technical commitments accepted by the undertaking, in addition to the foregoing information, refer to the following point 10 for a more detailed description.
Insert a linear graph showing – on an annual basis – the past trend in the reference value, considering a period similar to the contract's duration. If data are not available for this period,

values must be provided for such shorter period as may be available. If the historic trend of the reference value is not available, the trend in the indexes underlying the financial instruments on whose basis it is constructed should be provided, for a period similar to that of the contract, or for whatever shorter period is available, highlighting any significant correlation between the trends in different indexes.
State the following warning at the bottom of the graph: ***"Attention: The past trend is not indicative of the future trend".***

10. Information about the assets representing the technical commitments accepted by the undertaking

The following indications must be provided only in the event that the assets representing technical provisions directly show the reference value on which the insured amounts or the surrender value depend.
In the case of structured assets indicate:

a) the name and nature of the assets;
b) the currency;
c) the duration;
d) the issue price;
e) the name and head office of the issuer or of any guarantor including the name of the State;
f) the rating attributed to the issuer or to any guarantor (when the Information Note was prepared), the rating agencies and the daily newspaper and Internet site on which the rating is published; the classification scale referring to medium and long-term investments adopted by the rating agency should also be indicated;
g) the name and address of the regulatory authority to whose prudential supervision over financial stability the issuer or guarantor is subject[2];
h) for variable income securities specify the indexation criterion, the reference values for the indexation and the period and source used to measure such parameters;
i) the quotation market: if no quotation is available or in case the price quoted on this market is not reliable due to the low frequency of exchanges or the low volume of transactions, this must be specified and the relevant implications described, with the indication of the subject responsible for determining the current value of the financial instrument;
j) indicate the daily newspaper on which the current value of the financial instruments is published, the name and the rating of the issuer or the guarantor, and state that this information is also available on the Internet site of the undertaking;
k) the breakdown of the bond component and the derivative component with the following indications:

   k.1) for the bond component: the annual nominal rate of return and the gross actual annual rate of return. This latter rate shall be calculated by using the usual (simple or compound) capitalisation formulas, where the value taken as subscription price of the bond component is the placement value to the policyholder of the structured security increased or reduced by the value of the derivative components[3];
   k.2) for the derivative components provide the description and indicate the associated value[4]. The description must illustrate the underlying assets in such a way as to offer a clear

[2] This indication is not required for bonds when the coverage of technical liabilities takes place through the combination of a bond and a derivative financial instrument.
[3] Less the value of the derivative components implicitly acquired by the policyholder; uprated by the value of the derivative components implicitly sold by the policyholder.
[4] For purposes of determining the value of derivative components the methodologies used in the market must be adopted and objectively measured parameters must be used (for example, historical volatilities calculated on a daily basis of the logarithmic or percentage variations of prices of the underlying security with reference to preceding

representation of the whole financial structure on which the risk/yield profiles of the contract are based.

Specify that the investment risk to which the policyholder is exposed when acquiring positions in said derivative components could, at maturity, lead to a loss of up to ….% of the premiums paid (indicate the percentage). In this regard the risk of counterpart relating to the standing of the issuer is irrelevant.

In the circumstance that the financial instruments used as cover for technical provisions are made up of bonds and derivative instruments not forming part of a structured security, the foregoing indications must be provided for each single component.

11. Examples of the trend in benefits

Provide, for each benefit, including any sums to be periodically paid, examples of the possible fluctuations in the results according to three different scenarios: the share index or the other reference value (i.e. structured security) to which the benefit is linked takes on values for which the valuation of the benefit is a positive amount, is nil (refund of premiums paid, net of the share for pure risk, if any) or is a negative amount (benefit lower than the premiums paid, net of the share for pure risk, if any).

The assumptions on which the examples are based must be sound and consistent with the value of the derivative component underlying the contract when it was issued, and will be based on specular assumptions of positive and negative variability. The examples must moreover highlight all those cases in which clauses establishing floors or caps on returns or knock-in or knock-out clauses may apply.
Indicate the following warning: "***Attention: the examples have the sole purpose of helping to understand the fluctuation mechanisms of benefits***".

D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME

12. Costs

12.1. Costs charged directly to the policyholder

12.1.1. Costs charged to the premium

Set out as a table all the costs applied to the premiums paid, whether expressed as percentages and/or absolute values, specifying their nature and illustrating the costs for issuing the contract. The percentage values must be stated to the first decimal point. Indicate any implicit loadings applied by making clear that such costs stem from the higher price paid by the policyholder for the purchase of the financial instruments underlying the contract, compared to the assets' actual cost paid by the company.
If the contract provides for a guarantee offered by the undertaking (repayment of the invested capital, yields …), indicate the corresponding costs in the table.

12.1.2. Surrender costs

Indicate the costs, whether in percentage values and/or in absolute values, applied in the event of surrender.

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periods coherent with the duration of structured bonds; latest available State bond yield/average rate of return on bonds and on bank securities). The valuations will be referred to a date to be specified.

12.2. Costs charged to the underlying financial instruments
Indicate the costs charged by the undertaking on specific assets acquired in order to replicate the benefits provided for under the contract (charges on periodic benefits …).

13. Breakdown of the premium
If the benefits or the surrender value are directly linked to the value of a financial instrument set out as a table[5] the percentage breakdown of the premium into the single components used to acquire the financial instrument underlying the contract (subdivided into bond and derivative components) and the cost component, net of fixed duties, whenever present, that must be stated separately. In the last case, specify that such fixed duties increase the percentage incidence of the costs represented in the table showing the breakdown of the premium. Specify that this incidence decreases with increases in the amount of the premium.

Breakdown of the premium	***% Value***
Bond component	*%*
Derivative component	*%*
Costs	*%*
Overall premium	*100.00*

If supplementary and/or ancillary covers can be associated with the product, it should be made clear that the breakdown refers to the part of the premium regarding the main benefit, net of such coverage.

Explain the procedures for acquiring premiums to cover pure risk.

14. Extent and arrangements for any discounts
Indicate the amount and conditions for the application of any discounts taking due account of the provisions of the law in force.

15. Tax regime
Indicate the tax regime to which the contract is subject.

E. OTHER INFORMATION ON THE CONTRACT

16. Arrangements for executing the contract and duration of premium payments
Describe the procedures for executing the contract and specify the means of premium payment required by the undertaking[6].

17. Surrender
Indicate the procedures for calculating the surrender value in order to allow the policyholder to make autonomous calculations of the relative sum. Indicate the details (address, telephone, fax and e-mail) of the office of the undertaking designated to provide information on such values.

[5] If necessary the table can be appropriately adjusted to a greater level of details whenever the complexity of the underlying financial structure or cost structure requires it. For contracts where loadings depend on the amount of the premium, the table in question must be drawn up on the basis of the minimum amount of the premium envisaged in the contract. In any case, all elements characterising the premium should be parameterised at 100.
[6] With reference to contracts underwritten through bank channels, for which the periodic premium is normally paid by automatic debit to the policyholder's current account, the undertaking should indicate any alternative premium payment arrangements if the bank account is closed.

Provide examples of the calculation of the surrender value based on the assumption that the amount of the reference value to which it is linked is such that the corresponding surrender value is respectively higher than, equal to or lower than the premiums paid. See instructions under the above point 11.
Highlight, in bold characters, if the possibility exists that the surrender value may be inferior to the premiums paid in. In the event that the surrender value is directly linked to the current value of a financial instrument and the issuing price of such instrument is lower than its nominal value, describe the consequent negative effects.
To quantify the costs in the event of surrender refer to paragraph 12.1.2.

18. Revocation of the proposal

Indicate the procedures with which the revocation of the foregoing proposal, to be exercised in conformity with the law in force, is communicated to the undertaking. Specify that the undertaking is required to reimburse any sums paid by the policyholder within thirty days from the receipt of the communication, with the right to charge the issuing costs of the contract actually incurred referred to under point 12.1.1., on condition that they are quantified in the proposal.

19. Right to cancel the contract

Indicate the procedures with which the right to cancel the contract, exercisable by the policyholder in conformity with the law in force within thirty days from the time when he/she was informed of the conclusion of the contract, is to be communicated to the undertaking.
Specify that the undertaking is required to reimburse the premium within thirty days from the receipt of the communication, with the right to charge the costs actually sustained for the issue of the contract as indicated under point 12.1.1., on condition that these are quantified in the proposal and in the contract, as well as that part of the premium referring to the period during which the contract was in force.

20. Document to be submitted to the undertaking for the payment of benefits

Refer to the article on the policy conditions that indicates the documents that the policyholder or beneficiary must present in the various circumstances in which benefits are paid by the undertaking. Specify the terms for the payment recognised to the undertaking and draw the policyholder's attention to the time when the benefits will be invalidated by prescription under current law.
When a pre-printed form is used to request the payment of benefit and this form contains the list of the documents to present for the various circumstances in question, refer to it and state that it is included among the contractual documentation.

21. Law applicable to the contract

Indicate that the contract is subject to Italian law, if the parties have made no choice; otherwise state the national law the undertaking proposes to choose and specify that mandatory rules of Italian law will in any case prevail.

22. Language in which the contract is drawn up

Indicate that the contract, and every document attached to it, are drawn up in Italian, unless otherwise chosen by the parties. In the case an alternative language is chosen, indicate the language the undertaking proposes to adopt.

23. Complaints

Indicate that **"*Any complaints concerning the contractual relationship or the management of claims must be forwarded in writing to the undertaking (indicating the company unit, address, fax and email address). If the complainant is dissatisfied with the outcome of his/her complaint or in the case no reply is received within the maximum term of forty-five days, he/she may contact ISVAP, Servizio Tutela degli Utenti, Via del Quirinale 21, 00187 Rome, telephone***

06.42.133.1, providing supporting documentation for his/her complaint against the undertaking. As concerns litigation on the quantification of benefits, complainants are reminded that this is the exclusive jurisdiction of the judicial authorities, apart from the possibility to opt for arbitration procedures, if any".
In the event that the contract is subject to the law of another country, indicate the competent body as stated in the chosen legislation.

24. Information during the term of the contract
State the pledge to immediately communicate the policyholder any variations made in the information given in the Note, including those resulting from changes to the law after the conclusion of the contract.
Make a pledge to transmit the annual statement of account of the insurance position within sixty days from the end of each solar year. Such statement must contain, at least:

a) the total amount of premiums paid from the execution of the contract until 31 December of the preceding year;
b) details of premiums paid in and invested in the reference year;
c) details of the sums paid to policyholders/beneficiaries in the reference year (periodic payments, any partial surrender …);
d) the value of the reference indexes at the periodical valuation dates envisaged in the contract for the determination of benefits as well as, for contracts whose benefits are directly linked to the value of representative assets, indication of the relevant current value as at 31 December of the reference year;
e) value of the guaranteed benefit (only for contracts with financial guarantees).

State the pledge to provide written communication to the policyholder whenever during the life of the contract the indexes or reference values fall by more than 30% of the surrender value with respect to the overall amount of the premiums invested, and communicate any further reductions of 10% or more. The communication must be made no later than 10 working days after the event takes place.

* * *

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Note".***

Legal representative

Details and handwritten signature

Annex 10

MODEL INFORMATION NOTE

PROFIT SHARING CONTRACTS DESIGNED TO IMPLEMENT INDIVIDUAL PENSION PLANS

Insert the following phrase: ***"The present Information Note has been drawn up pursuant to the model proposed by ISVAP, but its contents are not subject to prior approval by ISVAP".***

The Information Note is made up of five sections:

A. INFORMATION ON THE INSURANCE UNDERTAKING
B. INFORMATION ON INSURANCE BENEFITS AND GUARANTEES OFFERED
C. INFORMATION ON THE SEGREGATE FUND
D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME
E. OTHER INFORMATION ON THE CONTRACT

A. INFORMATION ON THE INSURANCE UNDERTAKING

1. General Information
Insert:

a) Corporate name, legal form and parent group (if any);
b) address of the head office and general management if different, including the name of the State;
c) address of any branches with which the contract will be concluded, including the name of the State;
d) telephone number, internet site and e-mail address;
e) details of the authorisation to conduct business. Foreign undertakings must specify if they operate in Italy by way of establishment or of free provision of services and indicate the supervisory authority to whose control they are subject. They shall also indicate in bold types if they invest premiums in assets not allowed for under Italian law regulating life insurance;
f) corporate name and address of the undertaking's auditing company.

2. Conflict of interests
Describe situations of conflict of interest, including those deriving from group relations, own business relations or from those of companies of the group.
Indicate any limits referring to group relations included in the regulations of the segregate fund that the undertaking proposes to abide by in order to guarantee policyholders against possible conflicts of interest.
Indicate that the undertaking, even in situations of conflicts of interest, takes care not to prejudice the interests of policyholders.
Indicate if the undertaking has reached fee-sharing agreements and summarily illustrate their contents. Refer to the annual report of the segregate fund for quantifying the benefits resulting from such agreements and assigned to policyholders. For benefits represented by services, indicate the relative monetary value in the foregoing report.
State that the company is committed to obtain the best possible result for policyholders regardless of the existence of such agreements.

B. INFORMATION ON INSURANCE BENEFITS AND GUARANTEES OFFERED

B.1. ACCUMULATION PHASE

3. Insurance benefits and guarantees offered

3.1. Description of benefits and guarantees

Indicate the duration of the contract taking also account of the legal provisions setting out the conditions required to be entitled to benefits for old age pensions or seniority pensions.
State that part of the premium paid by the policyholder will not be counted in the calculation of pension benefits since it is used by the undertaking to cover pure risk benefits as well as supplementary and/or ancillary covers; make clear that, on account of the above, the capital accrued at the end of the accumulation phase is the result of the capitalisation of the amounts paid, net of the costs and of the part of the premium used to cover the risk.
Describe the insurance benefits provided for under the contract. Provide separately for each benefit the information in conformity with the following model:

a) Benefits for old age pensions or seniority pensions (as to annuities refer to point B.2. below)
b) Surrender (indicate the different types of surrender envisaged by law)
c) Benefits in case of transfer of one's individual position to another form of individual pension plan or to another pension scheme
d) Ancillary and/or supplementary covers.

Define the conditions required by law to be entitled to benefits, including the possibility to apply for a continuation of contributions to the pension plan for no more than 5 years of reaching the retirement age and refer to point 12 for a description of the different impact of the applicable fiscal arrangements.

Specify if there are any guarantees of conservation of capital or payment of a minimum interest, and indicate the relevant amount and the periodic consolidation – if any; if not, specify that the contract envisages a guaranteed minimum interest only at the end of the accumulation phase.
Highlight if and for what benefits the policyholder bears the risk that the value accrued is lower than the premiums paid in.
For policies with benefits denominated in a foreign currency, emphasise that the policyholder bears an exchange risk and indicate its possible effects.

3.2. Revision of the bases for calculating benefits

Indicate if the undertaking, before starting the payment of annuities, has the right to revise the guaranteed interest rate in accordance with the provisions laid down in ISVAP Circular 434/2001. In this case describe the terms to which the revision is subject under the current regulations and specify that the new rate applies only to the payments following the entry into force of such change, on condition that the policyholder receives previous written information about the rate variation. State the pledge to provide the policyholder with a description of the economic impact on the benefit insured.

Indicate if, in accordance with the provisions laid down in ISVAP Circular 434/2001, the undertaking has the right to revise the demographic bases before starting the payment of annuities. In this case describe the terms to which the revision is subject under the above-mentioned Circular, the reasons justifying the revision of the demographic bases and make clear whether the revision is applicable to all the premiums paid or only to the premiums paid after the effective date of the

revision. State the commitment to provide the policyholder with a description of the economic impact on the annuity benefit and with the new conversion coefficients.
In both cases refer to point 22 as concerns time and manner of communication, specifying that in the event of unfavourable variations the transfer must be effected without applying any administrative cost.

3.3. Exemplifying Scheme
State that the undertaking must submit to the policyholder an Exemplifying Scheme drawn up in a customised manner based on the model in ISVAP Circular 445/2001, along with the Information Dossier.

4. Premiums
Indicate the frequency of premium payments and specify if they may be changed successively, although they have been defined in a fixed measure at the time of contract conclusion. Describe the terms under which the policyholder can make additional payments. Indicate that the policyholder has the right to suspend or stop the payment of premiums.
Illustrate any mechanisms for automatically adjusting the premium and indicate any rights of the policyholder to limit or refuse premium increases, and describe the relative arrangements and economic repercussions.
Specify the means of premium payment required by the undertaking[1].

5. Arrangements for calculating and assigning profit-sharing
Indicate any kind of profit-sharing mechanism, specifying terms and times for bonus assignment as well as for application or non-application of the consolidation guarantee, indicating the time when the latter operates (annual consolidation, only upon maturity ...).

In the case of increasing benefits contracts, also indicate the name of the segregate fund and refer to Section C for further details.

6. Contractual Options
Illustrate the contractual options, stating the times and arrangements for the exercise of such option by the policyholder by making reference to the specific paragraph illustrating the relative costs.
Express the commitment of the undertaking to provide policyholders/beneficiaries with a written summary description of all the options exercisable – no later than sixty days before the scheduled date for exercising the option – illustrating the relative costs and economic conditions whenever not predetermined in the original policy conditions.

B.2. PERIOD OF PAYMENT OF THE ANNUITY

7. Payment of the annuity and guarantees offered
Illustrate the types of annuities (life annuity, annuity guaranteed for a given number of years and then life annuity, joint annuity ….) that the policyholder may choose.
Indicate the means and frequency of payment of the annuity (annuity payable in advance, payable in arrears, payable in monthly/quarterly instalments ...).
Indicate the demographic and financial bases employed and refer to contract conditions for the representation of the coefficients for conversion into life annuity. State the commitment to transmit,

[1] With reference to contracts underwritten through bank channels, for which the periodic premium is normally paid by automatic debit to the policyholder's current account, the undertaking should indicate any alternative premium payment arrangements if the bank account is closed.

at the policyholder's request, the coefficients for conversion of the other types of annuity, if not indicated in the contract conditions.

For policies with benefits denominated in a foreign currency, emphasise that the policyholder bears an exchange risk and indicate its possible effects.

8. Arrangements for calculating and assigning profit-sharing

Provide the indications envisaged under point 5 if the arrangements for calculating and assigning profit-sharing are different from those applied in the accumulation phase. Otherwise refer to point 5.

C. INFORMATION ON THE SEGREGATE FUND

9. Segregate fund

In the event that the benefits are reassessed on the basis of the yield of a segregate fund indicate[2]:

a) the name of the segregate fund;
b) the currency of denomination;
c) the objectives of the fund, with special regard to the guarantees of conservation of capital and/or payment of a minimum return;
d) the observation period for assessing returns;
e) the composition of the fund, with particular reference to the principal financial instruments or assets, as well as the presence of any minimum or maximum investment limits in given categories of assets provided for in the fund regulations;
f) the percentage weight[3] of the investments in financial instruments or other assets issued or managed by entities belonging to the same group as the insurance undertaking;
g) a brief description of the management style adopted.

Indicate the name of the subject to whom the asset management is entrusted and the name of the auditor of the segregate fund.

For further details refer to the regulations governing the segregate fund which are an integral part of the policy conditions.

D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME

10. Costs

10.1. Costs charged directly to the policyholder

10.1.1. Costs charged to the premium

Set out as a table all the costs applied to the premiums paid, whether expressed as percentages and/or absolute values, specifying their nature and illustrating the costs for issuing the contract. The percentage values must be stated to the first decimal point.
For contracts where the costs charged to the premium are based on the insured's age and sex, contract duration and/or premium amount, the table may express costs in ranges (of age and/or duration) in order to avoid an excessive overloading of contract documentation and also to ensure

[2] If the segregate fund to which benefits are linked in the accumulation phase is different from that to which annuities are linked during the period of payment of annuities, provide information separately for each fund.
[3] Represent this information by using a percentage scale with intervals corresponding to 10%.

that full information is provided. The range definition must produce an oscillation in given cost values not in excess of 0.2%.
State the intention to communicate any cost deriving from the specific combination of the aforesaid variables in a customised Exemplifying Scheme.

10.1.2. Transfer and surrender costs
Indicate the administrative costs applied for surrender and transfer of the pension position.
Specify that if the tariff envisages the recovery of deferred acquisition costs upon the payment of the first annual premium/premiums, the undertaking is required to refund the above costs for the share of the non-accrued costs, whenever the right of surrender or of transfer of the individual position to other supplementary pension plans is exercised.

10.2. Costs charged on the return of the segregate fund
Provide a table indicating the charges applied by the undertaking on the return of the segregate fund, with any minimum percentage of return retained by the undertaking. When the undertaking retains costs directly from income on the assets of the segregate fund, indicate to what measure this occurs.

10.3. Costs for the payment of the annuity
Indicate the costs, expressed as a fixed amount and/or as a percentage, relating to expenses for payment of the annuity. This indication must make reference to the various terms provided in the contract for the payment of the annuity by instalments.

11. Extent and arrangements for any discounts
Indicate the amount and conditions for the application of any discounts taking due account of the provisions of the law in force.

12. Tax regime
Describe the tax regime applicable to premiums, to the results accrued in the accumulation phase and to the benefits payable.

E. OTHER INFORMATION ON THE CONTRACT

13. Arrangements for executing the contract.
Describe the procedures for executing the contract and indicate the commencement date for insurance cover. The execution and commencement dates must be clearly identifiable by the policyholder.

14. Termination of the contract and suspension of premium payments

Indicate the causes for contract termination specifying in particular if the total surrender brings about contract termination.

Indicate that in the event of an interruption in premium payments, the contract will remain in effect up to the achievement of the conditions for entitlement to the pension benefit contemplated by law. Indicate the faculty and terms provided for resuming payment of premiums.

15. Revocation of the proposal
Indicate the procedures with which the revocation of the foregoing proposal, to be exercised in conformity with the law in force, is communicated to the undertaking. Specify that the undertaking is required to reimburse any sums paid by the policyholder within thirty days from the receipt of the

communication, with the right to withhold the issuing costs of the contract actually incurred referred to under point 10.1.1., on condition that they are quantified in the proposal.

16. Right to cancel the contract

Indicate the procedures with which the right to cancel the contract, exercisable by the policyholder in conformity with the law in force, within thirty days from the time when he/she was informed of the conclusion of the contract, is to be communicated to the undertaking.
Specify that the undertaking is required to reimburse the premium within thirty days from the receipt of the communication, with the right to charge the costs actually sustained for the issue of the contract as indicated under point 10.1.1, on condition that these are quantified in the proposal and in the contract, as well as that part of the premium referring to the period during which the contract was in force.

17. Document to be submitted to the undertaking for the payment of benefits

Refer to the article on the policy conditions that indicates the documents that the policyholder or beneficiary must present in the various circumstances in which benefits are paid by the undertaking. Specify the term for the payment recognised to the undertaking and draw the policyholder's attention to the time when the benefits will be invalidated by prescription under current law.
When a pre-printed form is used to request the payment of benefit and this form contains the list of the documents to present for the various circumstances in question, refer to it and state that it is included among the contractual documentation.

18. Law applicable to the contract

Indicate that the contract is subject to Italian law.

19. Language in which the contract is drawn up

Indicate that the contract, and every document attached to it, are drawn up in Italian, unless otherwise chosen by the parties. In the case an alternative language is chosen, indicate the language the undertaking proposes to adopt.

20. Complaints

Indicate that ***"Any complaints concerning the contractual relationship or the management of claims must be forwarded in writing to the undertaking (indicating the company unit, address, fax and email address). If the complainant is dissatisfied with the outcome of his/her complaint or in the case no reply is received within the maximum term of forty-five days, he/she may contact ISVAP, Servizio Tutela degli Utenti, Via del Quirinale 21, 00187 Rome, telephone 06.42.133.1, providing supporting documentation for his/her complaint against the undertaking. As concerns litigation on the quantification of benefits, complainants are reminded that this is the exclusive jurisdiction of the judicial authorities, apart from the possibility to opt for arbitration procedures, if any".***

21. Additional disclosure

State the commitment to submit - before the conclusion of the contract and if so requested by the policyholder - the latest annual report of the segregate fund and the last prospectus illustrating the composition of such fund. Indicate its availability on the undertaking's web site.

22. Information during the term of the contract

State the pledge to immediately communicate any variations made in the information given to the policyholder in the Note or in the regulations governing the segregate fund, including those resulting from changes to the law after the conclusion of the contract.
If under the contract the undertaking has the right to revise the guaranteed interest rates or demographic bases in accordance with the provisions laid down in ISVAP Circular 434/2001,

express the commitment to communicate at least sixty days prior to the commencement date any variations it intends to introduce. Indicate that in the event of an unfavourable variation the undertaking is bound to assign the policyholder a period of time not under sixty days to request a transfer of the individual position.
Make a pledge to transmit the annual statement of account of the insurance position, within sixty days from the end of each solar year or from the dated envisaged in the policy conditions for increasing insured benefits. Such statement must contain, at least:

During the accumulation phase:

a) the total amount of premiums paid from the execution of the contract until the reference date of the previous statement of account and value of accrued benefits at the reference date of the previous statement of account;
b) details of premiums paid in the reference year, illustrating any unpaid premiums and stating the results of the non-payment;
c) any partial surrender in the reference year;
d) value of accrued benefits at the reference date of the statement of account;
e) value of surrender and of the transfer of the individual position at the reference date of the statement of account;
f) for contracts with benefits linked to segregate funds, the annual rate of financial return achieved by the fund, the percentage of the rate of return recognised to policyholders, the annual rate of return to policyholders, with indications of any levies applied by the undertaking, and the annual rate for increasing benefits. For with-profit contracts other than those specified above, the statement of account will state the profits allocated to the contract in the reference year.

During the payment of annuities:

a) amount of the insured annuity at the reference date of the previous statement of account;
b) amount of the insured annuity at the reference date of the statement of account;
c) for annuities with benefits linked to segregate funds, the annual rate of financial return achieved by the fund, the percentage of the rate of return recognised to policyholders, the annual rate of return to policyholders, with indications of any charges applied by the undertaking, and the annual rate for increasing benefits. For annuities with profit-sharing mechanisms other than those specified above, the statement of account will state the profits allocated to the contract in the reference year.

23. Communications from the policyholder to the undertaking

Draw the policyholder's attention to any communications to be sent to the undertaking.

* * *

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Note".***

Legal representative

Details and handwritten signature

Annex 11

MODEL INFORMATION NOTE
UNIT LINKED CONTRACTS DESIGNED TO IMPLEMENT INDIVIDUAL PENSION PLANS

Insert the following phrase: ***"The present Information Note has been drawn up pursuant to the model proposed by ISVAP, but its contents are not subject to prior approval by ISVAP".***

The Information Note is made up of six sections:

A. INFORMATION ON THE INSURANCE UNDERTAKING
B. INFORMATION ON INSURANCE BENEFITS AND FINANCIAL RISKS
C. INFORMATION ON THE FUND AND ON THE SEGREGATE FUND
D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME
E. OTHER INFORMATION ON THE CONTRACT
F. HISTORICAL DATA ON THE FUND

A. INFORMATION ON THE INSURANCE UNDERTAKING

1. General Information
Insert:

a) corporate name, legal form and parent group (if any);
b) address of the head office and general management if different, including the name of the State;
c) address of any branches with which the contract will be concluded, including the name of the State;
d) telephone number, internet site and e-mail address;
e) details of the authorisation to conduct business. Foreign undertakings must specify if they operate in Italy by way of establishment or of free provision of services and indicate the supervisory authority to whose control they are subject. They shall also indicate in bold types if they invest premiums in assets not allowed for under Italian law regulating life insurance;
f) corporate name and address of the undertaking's auditing company.

2. Conflict of interests
Describe situations of conflict of interest, including those deriving from group relations, own business relations or from those of companies of the group.
Indicate any limits referring to group relations included in the regulations of the internal fund and additional to the quantitative limits fixed by ISVAP that the undertaking proposes to abide by in order to guarantee policyholders against possible conflicts of interest.
Indicate that the undertaking, even in situations of conflicts of interest, takes care not to prejudice the interests of policyholders.
Indicate if the undertaking has reached fee-sharing agreements and summarily illustrate their contents. Refer to the annual report of the fund/segregate fund for quantifying the benefits resulting from such agreements and assigned to policyholders. For benefits represented by services, indicate the relative monetary value in the foregoing report. In the case of contracts directly linked to the units of a UCITS indicate the restitution arrangements to policyholders and how benefits are communicated to them.
State that the company is committed to obtain the best possible result for policyholders regardless of the existence of such agreements.

B. INFORMATION ON INSURANCE BENEFITS AND FINANCIAL RISKS

B.1. ACCUMULATION PHASE

3. Financial risks

Illustrate the peculiarities of the unit-linked contract, stressing that it is a contract whose benefits are linked to the value of the units of a fund (internal or UCITS), which in their turn depend upon fluctuations in the price of the financial assets which the units represent.
Describe all the financial risks (pricing, interest rate, exchange rate, counterpart, liquidity ……), which the policyholder accepts by taking out a contract.

4. Information on the investment of premiums

Indicate if the premiums, net of relative costs, will be invested (also indicate any policyholder's right to choose several funds):

- in units of a fund or funds internal to the insurance company;
- in units of a fund or funds internal to the insurance company, with successive acquisition of UCITS units;
- in units of a UCITS.

State that part of the premium paid by the policyholder will be used by the undertaking to cover the demographic risks provided for under the contract and the ancillary and/or supplementary covers and, therefore, that this part, as also that withheld to cover contractual costs, will not be counted in the calculation of the pension benefit.

Explain the procedures for writing premiums to cover pure risk. In the event that the risk premium is written by the undertaking by deducting units on an individual basis, indicate that the undertaking will make annual communications to the policyholder of the deductions made.

5. Insurance benefits

5.1. Description of benefits

Indicate the duration of the contract taking also account of the legal provisions setting out the conditions required to be entitled to benefits for old age pensions or seniority pensions.

Describe the insurance benefits provided for under the contract. Provide separately for each benefit the information in conformity with the following model:

a) Benefits for old age pensions or seniority pensions (as to annuities refer to point B.2. below)
b) Surrender (indicate the different types of surrender envisaged by law)
c) Benefits in case of transfer of one's individual position to another form of individual pension plan or to another pension scheme
d) Ancillary and/or supplementary covers.

Define the conditions required by law to be entitled to benefits, including the possibility to apply for a continuation of contributions to the pension plan for no more than 5 years of reaching the normal retirement age and refer to point 16 for a description of the different impact of the applicable fiscal arrangements.

Indicate the existence and amount of any financial guarantees offered by the undertaking.
In the event that the insurance undertaking does not provide any guarantee, specify that the policyholder will bear the risk connected to the negative trend in the value of the units.

In those cases in which third-parties have committed to make pre-determined payments into the fund, indicate the third parties to which the obligation refers, and briefly illustrate the contractual scheme used for this purpose as well as any limitations and conditions for complying with the commitment.
For "capital protected" funds[1] briefly describe and provide examples of management arrangements suitable for such protection. Insert the following warning using bold characters ***"Attention: the protection of capital does not constitute the guarantee of yields or the return of capital invested".***
For the costs of the guarantee offered by the undertaking, third-party commitments or protection refer to point 14.

In the event that, on policyholder's behalf, the undertaking implements an allocation plan of premiums and accrued capital in order to optimise the risk/yield profile of the pension plan (e.g. contracts such as "Life cycle style"), state the operating arrangements.

Highlight in bold characters <u>if and as a result of what events the possibility may arise that the amount of the benefit is lower than the premiums paid in.</u>

<u>5.2. Revision of the bases for calculating benefits</u>

Indicate if the undertaking, before starting the payment of annuities, has the right to revise the guaranteed interest rate in accordance with the provisions laid down in ISVAP Circular 434/2001. In this case describe the terms to which the revision is subject under the current regulations and specify that the new rate applies only to the payments following the entry into force of such change, on condition that the policyholder receives previous written information about the rate variation. State the pledge to provide the policyholder with a description of the economic impact on the benefit insured.
Indicate if, in accordance with the provisions laid down in ISVAP Circular 434/2001, the undertaking has the right to revise the demographic bases before starting the payment of annuities. In this case describe the terms to which the revision is subject under the above-mentioned Circular, the reasons justifying the revision of the demographic bases and make clear whether the revision is applicable to all the premiums paid or only to the premiums paid after the effective date of the revision. State the commitment to provide the policyholder with a description of the economic impact on the annuity benefit and with the new conversion coefficients.
In both cases refer to point 28 as concerns time and manner of communication, specifying that in the event of unfavourable variations the transfer must be effected without applying any administrative cost.

<u>5.3. Exemplifying Scheme</u>

State that the undertaking must submit the policyholder an Exemplifying Scheme drawn up in a customised manner based on the model in ISVAP circular 445/2001, along with the Information Dossier.

<u>6. Value of the units</u>

Emphasize the frequency of the calculation and the publication of the value of the units, with indication of the daily newspapers and internet sites publishing current values. Indicate that the published value of the units is net of any costs to be charged to the fund.
Illustrate the arrangements and times for converting units into amounts to be paid when the events stipulated in the contract take place[2].

[1] These are defined as funds that pursue an investment policy designed to minimise the probability of investment capital loss by deploying special management techniques.
[2] The conversion day must be identified in an unambiguous manner by the policyholder, without expressions that identify this day within a temporal period.

7. Contractual Options

Illustrate the contractual options, stating the times and arrangements for exercising them by making reference to the specific paragraph illustrating the relative costs.

Express the commitment of the undertaking to provide policyholders/beneficiaries with a written summary description of all the options exercisable - no later than sixty days before the scheduled date for exercising the option - illustrating the relative costs and economic conditions whenever not predetermined in the original policy conditions.

B.2. PERIOD OF PAYMENT OF THE ANNUITY

8. Payment of the annuity and guarantees offered

Illustrate the types of annuities (life annuity, annuity guaranteed for a given number of years and then life annuity, joint annuity ….) that the policyholder may choose.

Indicate the means and frequency of payment of the annuity (annuity payable in advance, payable in arrears, payable in monthly/quarterly instalments ...).

Indicate the demographic and financial bases employed and refer to contract conditions for the representation of the coefficients for conversion into life annuity. State the commitment to transmit, at the policyholder's request, the coefficients for conversion of the other types of annuity, if not indicated in the contract conditions.

For policies with benefits denominated in a foreign currency, emphasise that the policyholder bears an exchange risk and indicate its possible effects.

9. Arrangements for calculating and assigning profit-sharing

Indicate any kind of profit-sharing mechanism, specifying terms and times for bonus assignment.

In the case of increasing benefits annuities, also indicate the name of the segregate fund and refer to Section C2 for further details.

C. INFORMATION ON THE FUND AND ON THE SEGREGATE FUND

C.1 INFORMATION ON THE FUND TO WHICH THE INSURANCE BENEFITS ARE LINKED

10. Internal fund

In the event that the insurance benefits in the accumulation phase are linked to internal funds indicate[3]:

a) the name of the fund;
b) the commencement date of the fund's operations and the closure date, if any;
c) the category of the fund[4];
d) the currency of denomination;
e) the objectives of the fund as regards its potential beneficiaries, expressed in terms of capital growth projections;
f) suggested minimum timeframe[5];
g) the fund's risk profile (low, medium-low, medium, medium-high, high, very high) provided for in the regulations and relating to the investment[6];

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[3] In the case of multi-compartment funds the information must be referred to each compartment.

[4] Use the category the fund belongs to (e.g. bond fund, cash fund, etc ...) published by ANIA *(the Association of Italian insurers)*.

[5] To be expressed as complete years, taking account of the management style and the fund's level of risk.

[6] The risk profile must be assessed taking account of the volatility of the fund's units (mean square deviation of the yields, at least weekly) in the course of the last three years or, alternatively, if this is not available, the relative benchmark. If no benchmark exists, use the expected average annual volatility deemed acceptable. For the attribution of

h) the composition of the fund, with particular reference to the principal financial instruments and currency of denomination, geographical areas/reference markets, industrial sectors and/or categories of issuers, where relevant[7], specific risk factors, where relevant[8], as well as the presence of any minimum or maximum investment limits in given categories of assets. If the internal fund invests more than 10% in UCITS the same information must be provided in relation to the underlying assets of the UCITS;
i) the percentage weight[9] of the investments in financial instruments and in UCITS set up or managed by asset management companies belonging to the same group as the insurance undertaking;
l) a brief description of the management style adopted, with the indication of the characteristics of the investment selection process and any risk management techniques used by the fund[10];
m) the benchmark indicating the existing relation between this parameter and the fund's yield objectives[11]. Summarily describe the benchmark that must comply with the principles fixed by ISVAP. In the event that the benchmark does not represent a significant parameter for the management style adopted, illustrate the reasons and indicate the expected average annual volatility of the units deemed acceptable for identifying the fund's risk profile. Explain the meaning of this last indicator;
n) the allocation of income[12];
o) arrangements for the valuation of the units.

If the undertaking indicates in its regulations that it intends to use derivative financial instruments, specify the objectives pursued through the use of the derivatives and their fit with the fund's risk profiles. Indicate that ***"Insurance law prohibits the use of derivative instruments for speculative purposes".***

Indicate the name of the subject to whom the management of the fund is entrusted and the name and address of the fund's auditors.

11. Tax credits

Indicate the cases in which, through the purchase of financial instruments by the internal fund, the undertaking accrues tax credits, and illustrate the operational arrangements for assigning them to policyholders (timescale, amount,...) If the undertaking opts not to acknowledge tax credits in favour of policyholders, state the following phrase: ***"The undertaking withholds the tax credit which will not, therefore, be attributed to policyholders."*** Specify that on account of the non-attribution of such tax credits the beneficiaries may, indirectly, be subject to a double taxation charge and explain the reasons.

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the risk profile, refer to the scale indicated by ISVAP. Insert in the Information Note a caption through which the volatility values can be associated with the various risk profiles indicated by ISVAP.

7 For example: government, supranational, company, corporate or other issuers.

8 For example: investments in securities issued by smaller companies, investments in so-called structured securities, duration and minimum rating of the bond component in the portfolio and other risk factors, in line with the prudential limits fixed by ISVAP.

9 Represent this information by using a percentage scale with intervals corresponding to 10%.

10 By way of example: "Criteria for choosing financial instruments: oriented to seize opportunities to position the portfolio in the interest rate curves of very short-term government bonds according to developments in the European Central Bank's monetary strategy, while also being orientated to take advantage of security arbitrage …".

11 State if the undertaking's policy is to replicate the trend of the parameter or to maximise the fund's yield.

12 In the event that the fund pays profits indicate the criteria whereby the sum to be paid is determined and the distribution arrangements as well as the facilities envisaged for the possible re-investment of profits.

12. UCITS
In the event that the benefits are directly linked to one or more UCITS, besides the information required under point 8 indicate the legal form, name and head office of the pertinent management company.

C.2 INFORMATION ON THE SEGREGATE FUND

13. Segregate fund
In the event that the annuity benefits are reassessed on the basis of the yield of a segregate fund indicate:

a) the name of the segregate fund;
b) the currency of denomination;
c) the objectives of the fund, with special regard to the guarantees of conservation of capital and/or payment of a minimum return;
d) the observation period for assessing returns;
e) the composition of the fund, with particular reference to the principal financial instruments or assets, as well as the presence of any minimum or maximum investment limits in given categories of assets provided for in the fund regulations;
f) the percentage weight[13] of the investments in financial instruments or other assets issued or managed by entities belonging to the same group as the insurance undertaking;
g) a brief description of the management style adopted.

Indicate the name of the subject to whom the asset management is entrusted and the name of the auditor of the segregate fund.

For further details refers to the regulations governing the segregate fund which are an integral part of the policy conditions.

D. INFORMATION ON COSTS, DISCOUNTS AND TAX REGIME

14. Costs

14.1. Costs charged directly to the policyholder

14.1.1. Costs charged to the premium
Set out as a table all the costs applied to the premiums paid, whether expressed as percentages and/or absolute values, specifying their nature and illustrating the costs for issuing the contract. The percentage values must be stated to the first decimal point.
If the contract provides for a guarantee offered by the undertaking (repayment of the invested capital, yields, …….) or third-party commitments to pay predetermined amounts to the fund or management formulas to protect the capital, indicate the corresponding costs in the table.

14.1.2. Surrender, transfer and switch costs
Indicate the administrative costs applied for surrender, transfer and switch.
Specify that if the tariff envisages the recovery of deferred acquisition costs upon the payment of the first annual premium/premiums, the undertaking is required to refund the above costs for the share of the non-accrued costs, whenever the right of surrender or of transfer of the individual position to other supplementary pension plans is exercised.

[13] Represent this information by using a percentage scale with intervals corresponding to 10%.

14.2. Costs charged to the internal fund

Set out, according to the following scheme, the costs charged to the internal fund and thus, indirectly, to the policyholder.

Remuneration of the insurance undertaking

Indicate in the form of a table:

a) the management commission percentage applied by the undertaking, specifically indicating the share indicated by the undertaking for the asset allocation service of the "linked" UCITS and for the administration of the contract. State the frequency of such charges on the net assets of the internal fund. If inter-yearly charges are made, the information must be supplemented by indicating the corresponding yearly rate;
b) the costs of any guarantee for the repayment of capital or the yield offered by the insurance undertaking;
c) any overperformance commission.

Remuneration of the asset management company (for the purchase of UCITS by the fund)

In the event that the fund's regulations state that the fund assets will be invested in UCITS units for over 10% of total assets, set forth as a table:

a) the charges connected to the subscription and reimbursement of units of the UCITS by indicating the maximum cost;
b) the management commissions applied by the asset management company by stating the maximum amount of such commissions;
c) any overperformance commissions applied by the asset management company.

Other costs

Indicate the costs of any third-party commitments to contribute predetermined amounts to the fund and any forms of capital-protection management.

List other costs provided for by the regulations governing the internal fund.

Specify that the charges referring to the acquisition and disposal of fund assets insofar as variable cannot be quantified *a priori*.

Refer to the total expenses ratio (TER) for the historical quantification of the foregoing costs.

14.3. Costs charged to the external UCITS

In the case of contracts whose benefits are directly linked to UCITS units, indicate the costs charged to the external UCITS and thus, indirectly, to the policyholder.

With reference to the UCITS, provide the foregoing disclosure under point 14.2, indicating that the charge for the management commissions applied by the undertaking can only take place by reducing the number of units attributed to the contract.

14.4. Costs charged on the return of the segregate fund

Provide a table indicating the charges applied by the undertaking on the return of the segregate fund, with any minimum percentage of return retained by the undertaking. When the undertaking retains costs directly from income on the assets of the segregate fund, indicate to what measure this occurs.

14.5. Costs for the payment of the annuity

Indicate the costs, expressed as a fixed amount and/or as a percentage, relating to expenses for payment of the annuity. This indication must make reference to the various terms provided in the contract for the payment of the annuity by instalments.

15. Extent and arrangements for any discounts
Indicate the amount and conditions for the application of any discounts taking due account of the provisions of the law in force.

16. Tax regime
Describe the tax regime applicable to premiums, to the results accrued in the accumulation phase and to the benefits payable.

E. OTHER INFORMATION ON THE CONTRACT

17. Arrangements for executing the contract, paying the premium and converting the premium into units.
Describe the procedures for executing the contract and indicate the commencement date for insurance cover. Specify the means of premium payment required by the undertaking[14].

Indicate the frequency of premium payments and specify if they may be changed successively, although they have also been defined in a fixed measure at the time of contract conclusion. Describe the terms under which the policyholder can make additional payments. Indicate that the policyholder has the right to suspend or stop the payment of premiums.
Illustrate any mechanisms for automatically adjusting the premium and indicate any rights of the policyholder to limit or refuse premium increases, and describe the relative arrangements and economic repercussions.
In the case that the undertaking wishes to propose the payment of the premiums into new funds or compartments set up successively, indicate the undertaking's obligation to submit in advance the relevant section[15] of the updated Information Note following the inclusion of the new fund or compartment, together with the regulations governing the internal fund.

Illustrate the procedures and timescale for converting premiums into units.[16]
Indicate that the number of units will be attributed to each policyholder by dividing the premium, net of fees and costs, by the value of the unit on the reference day.

18. Letter confirming the investment of the premium
Specify that the undertaking makes provision to communicate to the policyholder, by a certain term (specify this term by taking account that it cannot be more than 10 working days after the valuation date of the units, understood as the day to which the value of the units refers) the amount of the gross premium for executing the contract and the amount for investment, the contract's commencement date, the number of units attributed, their value and the valuation date. For contracts that convert the premiums into units according to the date on which the proposal is received and the premium collected, or the collection date of the premium, the relative dates must be stated with the foregoing communication.
Make reference to a similar commitment for the payment of subsequent premiums.

19. Termination of the contract and suspension of premium payments
Indicate the causes for contract termination specifying in particular if the total surrender brings about contract termination.

[14] With reference to contracts underwritten through bank channels, for which the periodic premium is normally paid by automatic debit to the policyholder's current account, the undertaking should indicate any alternative premium payment arrangements if the bank account is closed.
[15] Relevant section: section C1 and section D, points 14.2 and 14.3.
[16] See note 2.

Indicate that in the event of an interruption in premium payments, the contract will remain in effect up to the achievement of the conditions for entitlement to the pension benefit contemplated by law. Indicate the faculty and terms provided for resuming payment of premiums.

20. Switch operations

Indicate any policyholder's rights to disinvest the units held in a fund or a fund compartment and to re-invest them in another, and specify any limits on such switches (maximum number of transfers possible in one year, minimum number of units to transfer ...).
In the case that the undertaking proposes to make a switch to new funds or compartments successively set up, indicate the undertaking's obligation to submit in advance the relevant section[17] of the updated Information Note following the inclusion of the new fund or compartment, together with the regulations governing the fund.
For the quantification of costs refer to paragraph 14.1.2.
Indicate the procedures and exact timescales for concluding the switch between funds and send a letter informing policyholders on the number of units reimbursed and those attributed as well as the respective values of the units on the reference day.

21. Revocation of the proposal

Indicate the procedures with which the revocation of the foregoing proposal, to be exercised in conformity with the law in force, is communicated to the undertaking. Specify that the undertaking is required to reimburse any sums paid by the policyholder within thirty days from the receipt of the communication, with the right to withhold the issuing costs of the contract actually incurred referred to under point 14.1.1., on condition that they are quantified in the proposal.

22. Right to cancel the contract

Indicate the procedures with which the right to cancel the contract, exercisable by the policyholder in conformity with the law in force, within thirty days from the time when he/she was informed of the conclusion of the contract, is to be communicated to the undertaking.
Specify that the undertaking is required to reimburse the premium within thirty days from the receipt of the communication, with the right to charge the costs actually incurred for the issue of the contract as indicated under point 14.1.1., on condition that these are quantified in the proposal and in the contract, as well as that part of the premium referring to the period during which the contract was in force.
If in the event of cancellation, the undertaking intends to take account of the trend in the value of the units attributed to the policyholder for the calculation of the reimbursable value, indicate this choice and state that he or she is entitled to the counter-value of the units in the case of both increases and decreases in the unit value, uprated by all the costs referring to the premium and net of the costs sustained for the issue of the contract as referred to in point 14.1.1. and the premium for the risk run.

23. Document to be submitted to the undertaking for the payment of benefits

Refer to the article on the policy conditions that indicates the documents that the policyholder or beneficiary must present in the various circumstances in which benefits are paid by the undertaking.
Specify the term for the payment recognised to the undertaking and draw the policyholder's attention to the in which the benefits will be invalidated by prescription under current law.
When a pre-printed form is used to request the payment of benefit and this form contains the list of the documents to present for the various circumstances in question, refer to it and state that it is included among the contractual documentation.

[17] Relevant section: section C1 and section D, points 14.2 and 14.3.

24. Law applicable to the contract
Indicate that the contract is subject to Italian law.

25. Language in which the contract is drawn up
Indicate that the contract, and every document attached to it, are drawn up in Italian, unless otherwise chosen by the parties. In the case an alternative language is chosen, indicate the language the undertaking proposes to adopt.

26. Complaints
Indicate that ***"Any complaints concerning the contractual relationship or the management of claims must be forwarded in writing to the undertaking (indicating the company unit, address, fax and email address). If the complainant is dissatisfied with the outcome of his/her complaint or in the case no reply is received within the maximum term of forty-five days, he/she may contact ISVAP, Servizio Tutela degli Utenti, Via del Quirinale 21, 00187 Rome, telephone 06.42.133.1, providing supporting documentation for his/her complaint against the undertaking. As concerns litigation on the quantification of benefits, complainants are reminded that this is the exclusive jurisdiction of the judicial authorities, apart from the possibility to opt for arbitration procedures, if any".***

27. Additional disclosure
State the commitment to submit - before the conclusion of the contract and if so requested by the policyholder - the latest report of the fund and of the segregate fund and the last prospectus illustrating the composition of the assets of such segregate fund. Indicate the availability of such information on the undertaking's web site.

28. Information during the term of the contract
State the pledge to immediately communicate any variations made in the information given to the policyholder in the Information Note or in the regulations governing the segregate or internal funds, including those resulting from changes to the law after the conclusion of the contract.
If under the contract the undertaking has the right to revise the guaranteed interest rates or demographic bases in accordance with the provisions laid down in ISVAP Circular 434/2001, express the commitment to communicate at least sixty days prior to the commencement date any variations it intends to introduce. Indicate that in the event of an unfavourable variation the undertaking is bound to assign the policyholder a period of time not under sixty days to request a transfer of the individual position.
Make a pledge to transmit the annual statement of account of the pension position along with the updating of the historical data stated under the following section F and under section 6 of the Summary Profile, within sixty days from the end of each solar year. Such statement must contain, at least:

During the accumulation phase:

a) the total amount of premiums paid from the execution of the contract until 31 December of the preceding year, the number and counter-value of the units as at 31 December of the preceding year;
b) details of premiums paid in, those invested, the number and value of the units assigned in the reference year;
c) number and value of the units transferred and of those assigned following switch operations;
d) number of the units that may have been cancelled during the year for the premium relating to pure risk coverage;
e) number and value of the units reimbursed as a result of surrender in the reference year;

f) number of the units cancelled for management commissions in the reference year (only for contracts directly linked to UCITS);
g) overall number of the units and their value at the end of the reference year and value of the transferable individual position;
h) value of the guaranteed benefit (only for contracts with financial guarantees).

During the payment of annuities:

a) amount of the insured annuity at the reference date of the previous statement of account;
b) amount of the insured annuity at the reference date of the statement of account;
c) for annuities with benefits linked to segregate funds, the annual rate of financial return achieved by the fund, the percentage of the rate of return recognised to policyholders, the annual rate of return to policyholders, with indications of any charges applied by the undertaking, and the annual rate for increasing benefits. For annuities with profit-sharing mechanisms other than those specified above, the statement of account will state the profits allocated to the contract in the reference year.

State the pledge to provide written communication to the policyholder when the value of all the units held during the life of the contract falls by more than 30% with respect to the overall amount of the premiums invested, taking due account of any surrender, and communicate any further reductions of 10% or more. The communication must be made no later than 10 working days after the event takes place.

29. Communications from the policyholder to the undertaking
Draw the policyholder's attention to any communications to be sent to the undertaking.

F. HISTORICAL DATA

Enter the following data for the internal fund or the UCITS, when the contract is directly related to the latter, which must be updated annually.

30. Historical yield data
Using a bar chart illustrate the annual yield of the internal fund and the benchmark in the course of the last 10 solar years[18]. If the contract is directly linked to a UCITS the foregoing data may be limited to the last 5 solar years.
Use a linear graph to show the trend in the value of the units of the fund and that of the benchmark in the course of the last solar year. Insert the following warning: ***"Attention: past performance is not indicative of future performance***".[19/20]

[18] The numerical data for each year must be denominated in euros. For funds in other currencies, indicate the valuation in both euros and the other currency. If the fund has been operating for less than 10 years, indicate the data available for the shorter period. In the event of significant changes to investment policy or of fund managers, the previous performances must be zeroed. The benchmark must always be indicated for the entire period. In the event that no benchmark is indicated because there is none compatible with management techniques, simply indicate the fund's yield.
[19] The chart must be compiled on a monthly basis. If the performance of the fund is not available for the entire preceding year, simply state the trend of the benchmark specifying that it is not indicative of the future performance of the fund. In order to make a meaningful comparison between the performance of the value of the units and that of the benchmark set out in the bar chart and linear graph, emphasise that the fund's performance reflects costs charged to it while the benchmark is not subject to costs for it is a theoretical index.
[20] See note 18.

31. Historical risk data

State – for the previous year – the comparison between the declared ex-ante volatility of the fund, that recorded ex post and that of the benchmark according to the indications set out in the sections dealing with comparisons in annex II of the annual report of the internal fund (ISVAP circular n. 474/2002).

32. Total Expenses Ratio (TER): actual costs of the internal fund

State in the following manner the percentage ratio, with reference to each solar year in the last three years, between the total costs charged to the internal fund and the average net asset value measured according to the frequency of its valuation.

	Year	Year	Year
TER	%	%	%

Give evidence that in the calculation of the TER the following costs have been considered:

COSTS CHARGED TO THE INTERNAL FUND	Year	Year	Year
management commissions	%	%	%
any overperformance commissions	%	%	%
TER of the underlying UCITS	%	%	%
charges arising from the acquisition and disposal of assets	%	%	%
administrative and custodian expenses	%	%	%
auditing and fund certification costs	%	%	%
expenses for publishing the value of the units	%	%	%
other costs chargeable to the fund (specify)[21]	%	%	%

Also highlight that the foregoing quantification of the costs does not take account of the costs charged directly to the policyholder, and refer to point 14.1 for the quantification of such costs.

In the circumstance that the fund were to invest at least 10% of all its assets in UCITS, the TER of the internal fund must be calculated as the percentage ratio between:

- the sum of the charges directly levied on the fund and those indirectly sustained through investments in the underlying individual UCITS estimated on the basis of their respective TERs and weighted by the NAV fraction invested in it

  and

- the average net assets of the fund.

In quantifying the charges any underwriting commissions and UCITS reimbursement must be taken into account. If the TER of one or more underlying UCITS is not available, the relative management commission can be used instead, for such underlying UCITS, on condition that this is duly mentioned.
For its first application, and for the financial year 2005, undertakings can use, as another alternative, the UCITS costs recognised at the valuation date of the units at the end of the period.

[21] Include the costs of the undertaking's guarantee, third-party commitments or management protection.

<u>33. The fund's portfolio turnover</u>

Indicate the fund's portfolio turnover for each solar year in the last three years expressed as the percentage ratio of the sum of the purchases and sales of financial instruments, net of investment and disinvestment of the units of the fund deriving from new premiums and payments, to the average net assets calculated in conformity to the valuation frequency of the units.

For the first application of this indicator only the data referring to the last year may be stated.

Briefly illustrate the economic meaning of the indicator.

Indicate for each solar year in the last three years, the percentage weight of transactions in financial instruments conducted through the market traders of the group to which the insurance undertaking belongs.

* * *

Insert the following phrase: ***"…… (indicate the name of the undertaking) is responsible for the truth and completeness of the data and information contained in this Note".***

Legal representative

Details and handwritten signature

Annex 12

TABLES ILLUSTRATING PREMIUMS FOR PURE RISK CONTRACTS

Undertakings are required to show in the Information Note of pure risk contracts a few examples of the amounts of premium required for the specific insurance cover pertaining to the combinations of age, duration and capital shown in the tables below. The amounts of premium for combinations not included in the scope of the tariff must not be shown.

The tables, preceded by the indication of the insurance cover to which they refer, must be filled in not only for annual premium contracts but also for single premium contracts, and the amounts must include fixed duties, if any.

In case the tariff varies according to the sex of the insured person, tables must be drawn up for male and female individuals. Should the tariff include any further diversifications due to specific risk factors (e.g. if the insured is a smoker or a non-smoker) the tables must also be drafted according to such discriminating factors.

The Information Note should contain the specification that the amounts indicated do not take account of the risk valuations pertaining, for instance, to the employment and state of health of the insured, which can be made by the undertaking only after the potential insured has given the necessary information and filled in the health questionnaire (or has had a medical examination in the cases envisaged).

Insurance (*indicate the insured benefit)*

Amounts of premium

Capital insured: € 50,000 Sex:

	Duration (years)				
Age	5	10	15	20	25
30					
35					
40					
45					
50					

Capital insured: € 100,000 Sex:

	Duration (years)				
Age	5	10	15	20	25
30					
35					
40					
45					
50					

Capital insured: € 200,000 Sex:

	Duration (years)				
Age	5	10	15	20	25
30					
35					
40					
45					
50					

Annex 13

INFORMATION DOCUMENT FOR TRANSFORMATION OPERATIONS

The document must contain all indications relating to the qualitative and quantitative changes in benefits resulting from the transformation and regarding any limits to the conservation of rights acquired through the original contract, with particular reference to the possible elimination or reduction in coverage in the event of death and to the possible loss of the guarantee of conservation of capital at maturity and/or of a minimum financial return or of a reduction of the same.

In particular, the document is to be drawn up as a table with opposite sections relating to the contents of the original contract and to that resulting from the transformation. It must contain the following minimum information:

1. any changes in contract terms (commencement date, duration, expiry);
2. any changes to the premium due and to its method of payment;
3. the type of insured benefit; special attention must be given to those cases in which the contract benefit resulting from the transformation involves financial risks that are to be borne by the policyholders (unit-linked and index-linked contracts), highlighting their characteristics and specifications with respect to those contained in the original contract;
4. any loss of the guarantee of conservation of capital or of a minimum financial return;
5. any differences in terms of guaranteed minimum rate of return, also with reference to the different methods of attribution and consolidation (annual consolidation, only upon maturity ...);
6. any elimination or reduction in coverage in the event of death;
7. any negative effects on benefits, even those deriving from the exercise of contractual options, due to the adoption of new technical bases, different from the financial ones;
8. the indication of any waiting periods in coverage in the event of death;
9. the conditions regulating the assessment of the surrender value and the effects of the transformation operation on the exercise of the right to surrender;
10. the tax treatment.

The document must also provide:

1. the detailed indication of any cost charged, under any form, and pursuant to the provisions in ISVAP Circular 106/98, for administrative expenses inherent to the transformation operation;
2. the criterion for the investment and management of assets matured on the contract to be transformed;
3. the indication of the policyholder’s faculty, if any, to avail himself/herself of the right to terminate the contract within thirty days of the transformation operation and of the consequent effects.

Annex 14

TIMESCALES FOR THE ENTRY INTO FORCE

PART I - INFORMATION FOR POLICYHOLDERS
Section I – Information before the conclusion of the contract

Article	*Description*	*Entry into force*	*Scope*
1	Definitions		
2	Documentation	1 December 2005	new contracts
3	Criteria for drawing up documents	1 December 2005	new contracts
4	Disclosure requirements	immediate	contracts in force and new contracts
5	Insurance proposal	1 December 2005	new contracts
6	Summary profile	1 December 2005	new contracts
7	Information Note	1 December 2005	new contracts
8	Exemplifying Scheme	1 December 2005	new contracts
9	Comparable historical data provided in Summary Profiles	1 December 2005	new contracts
10	Updating of pre-contractual documents	1 December 2005	new contracts

Section II – Information during the term of the contract

Article	*Description*	*Entry into force*	*Scope*
11	Letter confirming the investment of premiums for unit-linked contracts	1 September 2005	contracts in force and new contracts
12	subsection 1, publication of the value of the unit on daily newspapers and in Internet sites	already in force (circ. 533)	contracts in force and new contracts
	subsection 2, a), publication of the value of the index	already in force (circ. 533)	contracts in force and new contracts
	subsection 2, b), rating of the issuer/guarantor/financial instrument	1 April 2005	contracts in force and new contracts
	subsection 3, a), b), c), d), publication in Internet sites	1 December 2005	new contracts
	subsection 3, b), c), d), publication in Internet sites	already in force (circ. 533)	contracts in force
13	Amendments during the term of the contract	1 December 2005	new contracts
14	Annual statement of account	1 December 2005	new contracts
15	Communication in the event of loss	1 September 2005	contracts in force and new contracts
16	Variation in the guaranteed interest rate	immediate	contracts in force and new contracts
17	Communications in case of exercise of contractual options	1 December 2005	contracts in force and new contracts
18	Transformation of the contract	immediate	contracts in force and new contracts
19	Setting up of new internal insurance funds or compartments	1 December 2005	contracts in force and new contracts
20	Distance communication techniques	1 December 2005	contracts in force and new contracts
21	Filing and conserving documents	1 December 2005	contracts in force and new contracts

PART II – SPECIFIC PROVISIONS

Article	*Description*	*Entry into force*	*Scope*
22	Benchmark for unit-linked contracts	1 September 2005	funds that had not indicated a benchmark
	Benchmark for unit-linked contracts	1 April 2005	newly set up funds
23	Costs applied to unit-linked contracts by cancelling units	1 December 2005	new contracts
24	Profit-allocation rates on the yield of the internal segregate assets	1 December 2005	contracts in force and new contracts
25	Safety of assets covering index-linked contracts	1 April 2005	new contracts
26	Provisions referring to individual pension plans	1 September 2005	new contracts

PART III – ADEQUACY OF THE INSURANCE PROPOSAL AND CONFLICTS OF INTEREST

Article	*Description*	*Entry into force*	*Scope*
27	Rules of conduct	immediate	contracts in force and new contracts
28	Adequacy of contractual proposals	1 December 2005 (1 August 2005 for undertakings)	new contracts
29	subsections 1, 2 and 3: conflict of interests	1 June 2005	contracts in force and new contracts
	subsection 4: acknowledgement of benefits	1 September 2005	new contracts
30	subsection 1: commissions for affiliate UCITS	1 December 2005	new contracts
	subsection 2: unit-linked policies: limits on the exposure to the parent group	immediate	
	subsection 3: unit-linked policies: limits to the investment activities of internal funds	1 March 2006	existing funds
	subsection 3: unit-linked policies: limits to the investment activities of internal funds	immediate	new funds
31	Index-linked contracts: limits on the exposure to the parent group	immediate	
32	Revocation and cancellation	1 December 2005	new contracts

PART IV – MERGERS BETWEEN INTERNAL SEGREGATE ASSETS AND BETWEEN INTERNAL FUNDS

Article	*Description*	*Entry into force*	*Scope*
33	Merger conditions	immediate	contracts in force and new contracts