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# Aviva Online Trusts

A brief guide

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With a large amount of the population dying without a will, and a lack of consumer knowledge about how to help protect their family in the event of their death, many clients could fail to meet their own, and their families', expectations when the worst happens.

There are many benefits to writing protection plans into trusts. Compared to leaving life cover benefits in a will or through intestacy (the complex rules that apply when there is no will), a trust could give your clients greater certainty and benefits.

Trusts help to overcome some of the financial issues that can arise at death, helping to ensure the right money goes to the right people in a straightforward manner.

This brief guide provides an outline to Aviva online trusts and the process involved. Further details of the online journey can be found in the ALPS system guide.

# Online trusts – fast, efficient and convenient

One way that we can help you put your client's protection plan in trust is being able to do it online.

Before the availability of online trusts, when a policy was written in trust it was traditionally done so via a paper process involving a physical signature on the document. Given increasing prevalence of digital processes throughout all walks of life, it makes sense to offer our advisers and customers greater speed and convenience through an entirely digital process, which is now available through ALPS.

## Is an online trust valid?

There are three certainties that are required in order to create a trust. These are:

- 1. Certainty of beneficiaries**
- 2. Certainty of trust property**
- 3. Certainty of intention to create a trust**

As long as our online process is followed, the trust created will be robust and valid as the requirements relating to the three certainties are satisfied.

In common with all trusts of life policies which are set up to be effective from Day 1 (written or online) the trust is established by a trust request rather than a trust deed.

# FAQs

Below are a selection of frequently asked questions around trusts.

## **Q. What is a trust request?**

**A.** This is a request to the insurance company to issue the policy in trust to the trustees appointed by the settlor (the person applying for the policy). The settlor will always be named as one of the trustees when using Aviva trusts.

## **Q. How does this differ to a trust deed?**

**A.** The trust request route anticipates the policy coming into force whereas a "trust deed" (or Declaration of Trust) applies to an existing policy. As the policy is in force it must be assigned to trustees which is what the trust deed does.

## **Q. Why don't we need a signature from the settlor or trustees?**

**A.** A trust of a life policy (in common with the vast majority of assets) does not need to be by deed or even in writing and so a verbal declaration of trust is sufficient. However, one of the potential issues with this is proving that the settlor made that declaration. So the settlor makes that declaration to the adviser which the adviser confirms.

Hard copies are sent to trustees so they have the ability to reject being a trustee. However, even if they did reject their appointment that would not affect the validity of the trust

You can have peace of mind when using Aviva online trusts.

Trusts – made simple!

## **Q. Why can I only appoint 2 additional Trustees?**

**A.** In most cases 2 additional Trustees should be sufficient. If your clients do require more then they can either be added at a later date or our paper trusts can be used.

Please bear in mind that once a trust is up and running (whether completed online or via paper) it is not possible to appoint further Trustees that take the total number above 4. If more than 4 Trustees are required then a paper trust should be used.

## **Q. Why do the Trustees need to be living in the UK, Channel Islands, Isle of Man or Gibraltar?**

**A.** This is only a requirement for the online process due to verification requirements. If your clients require Trustees who are resident elsewhere then our paper trusts can be used.

## **Q. Why is the number of beneficiaries limited to 6?**

**A.** This only applies to the online process and in most cases should be sufficient. If your clients do require more beneficiaries then our paper trusts should be used.

## **Q. Can I place more than one policy under the same trust?**

**A.** Unfortunately, this is not possible for our online trusts. Each policy needs to be under its own trust. If you do require more than one policy to be written under the same trust then our paper trusts should be used.

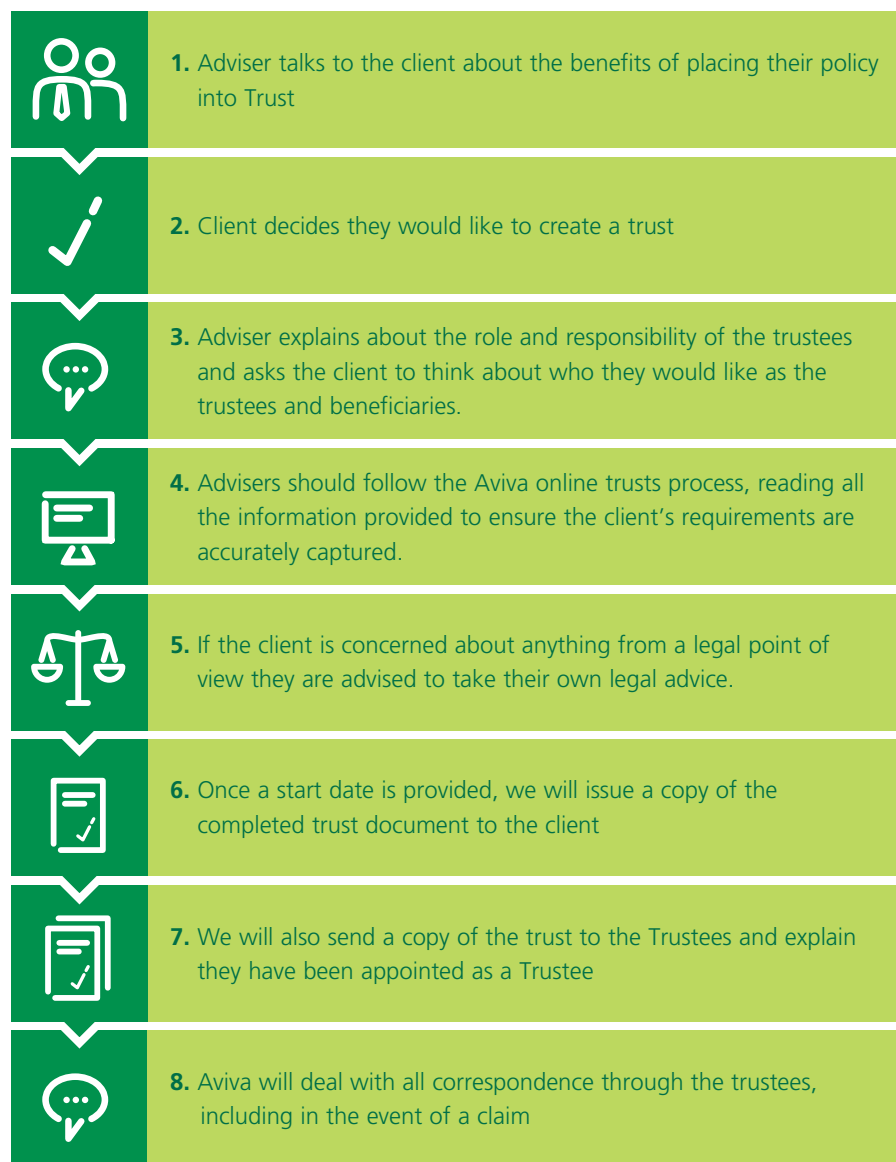
The information in this guide reflects our interpretation of the law and HM Revenue & Customs (HMRC) practice at the time of publication. The law relating to trusts and taxation is subject to change and treatment is dependent on individual circumstances. While we have taken every care in writing this guide, we do not accept responsibility for its contents.

# Writing a policy with Aviva online trusts

## Personal protection journey

Putting your client's protection plan in trust with Aviva is a simple process, which can be completed online.

Here's an example of how the process can work:



During the online process, advisers must agree to the following declaration:

- The information provided as part of this draft online trust reflects the instructions given to me by my client(s).
- I have provided all required information to my client(s) to allow an informed decision to be made as to the suitability of the draft trust.
- I have explained that by providing a start date the trust will become effective and cannot then be cancelled.



### Are there any risks to an adviser using an Aviva online trust?

There are no additional risks, as long as the adviser follows the process above, compared to completing the process using a paper trust form.

# Writing a policy with Aviva online trusts

## Business protection journey

Putting your client's protection plan in trust with Aviva is a simple process, which can be completed online.

Here's an example of how the process can work:



During the online process, advisers must agree to the following declaration:

- The information provided as part of this draft online trust reflects the instructions given to me by my client(s).
- I have provided all required information to my client(s) to allow an informed decision to be made as to the suitability of the draft trust.
- I have explained that by providing a start date the trust will become effective and cannot then be cancelled.



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# Writing a policy with Aviva online trusts

## Relevant life journey

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During the online process, advisers must agree to the following declaration:

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- I have provided all required information to my client(s) to allow an informed decision to be made as to the suitability of the draft trust.
- I have explained that by providing a start date the trust will become effective and cannot then be cancelled.



### Are there any risks to an adviser using an Aviva online trust?

There are no additional risks, as long as the adviser follows the process above, compared to completing the process using a paper trust form.

