



Global Investor

Investor protection and your offshore bond

In today's uncertain economic climate, it's only natural that you want to know what measures are in place to protect your investment should something unforeseen happen. And when investing offshore, it's important to understand both the regulatory environment and the protection that it provides.

Global Investor is issued by CMI Insurance Company Limited (CMI), based in the Isle of Man. The Isle of Man is one of the world's most highly regulated offshore investment centres and is home to the offshore operations of many leading UK insurance companies.

- Financial Services Authority rules are made under the Financial Services and Markets Act 2000 for the protection of investors and apply to investment business conducted in or from the UK. Holders of policies issued by CMI Insurance Company Limited will not be protected by the Financial Services Compensation Scheme (FSCS) if the company becomes unable to meet its liabilities to them. CMI Insurance Company Limited is authorised by the Insurance and Pensions Authority in the Isle of Man and its policyholders receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991. The scheme covers up to 90% of our liability due
- If you invest with a fund manager or deposit-taking institution based in the Isle of Man and they become insolvent, the above scheme does not apply.
- As CMI is the legal and beneficial owner of any assets held within the bond, (including pooled cash monies) CMI can claim under the Isle of Man Depositors' Compensation Scheme Regulations 2010, for deposits placed with a bank licensed under the Isle of Man Financial Services Act 2008. Under this scheme CMI can claim up to a maximum of £20,000, on all deposits held with that bank, which would be distributed proportionately to all policyholders who hold deposits with that bank. This may mean in practice that individual policyholders receive very little benefit.
- If deposits are placed with a bank which isn't licensed under the Isle of Man Financial Services Act 2008 (for example banks based in the UK, Ireland, Jersey, Guernsey, Europe etc) and that bank becomes insolvent, then CMI will not be able to claim compensation under the above scheme. In this case, CMI would seek compensation under any equivalent compensation scheme in the bank's home country.
- Most types of UK-based investment business (including OEICs and Unit Trusts) are covered by the FSCS. Where your bond invests in UK based investments it will not be covered by the FSCS. This is because the FSCS is designed to protect individual investors and it therefore doesn't apply to investments placed by institutional investors like CMI.

For more information on investor protection, please contact your financial adviser.

As part of the Lloyds Banking Group, Scottish Widows is proud to be an Official Provider of the London 2012 Olympic and Paralympic Games.

Scottish Widows is a trading name of CMI Insurance Company Limited.

Issued by CMI Insurance Company Limited, registered in Isle of Man number 33520. Registered office in the Isle of Man at Clerical Medical House, Victoria Road, Douglas, Isle of Man IM99 1LT. Authorised by the Isle of Man Insurance and Pensions Authority.

Approved by Clerical Medical Financial Services Limited, registered in England number 2114901. Registered office in the United Kingdom at 33 Old Broad Street, London EC2N 1HZ. Authorised and regulated by the Financial Services Authority. Our FSA register number is 142779.

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