



Anti-forestalling – How does it affect your clients?

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Newsletter from

**Windsor**  
LIFE ASSURANCE

## OUR SERVICE COMMITMENT TO YOU

*Over the last five years, Windsor Life has concentrated on serving the needs of its largely unit-linked policyholders, but the acquisition of GE Life gave it a much larger presence in the IFA market. Here Steve Stewart, Customer Services Director of Windsor Life, explains the initial difficulties this caused and how valuable lessons learned have put it in a better position to serve IFAs going forward.*

### **Q. What is your role at Windsor Life?**

**A.** I joined Windsor Life from Virgin Media in June 2008 as Customer Services Director, with the objectives of improving service delivery to IFAs and policyholders, and enabling the company to grow further without service delivery being disrupted. The decision to join was easy because the business has a commitment from the top to change perceptions by delivering great service. Plus it has solid financial strength, a strong investment performance track record, and is focused on future growth.

### **Q. On joining the company, what was your perception of its strengths and weaknesses?**

**A.** Windsor Life's financial strength, its top quartile fund performance and experienced and highly committed team of people were all immediately apparent, but it was also clear that the industry's perceptions

of Windsor Life were not positive as a result of service issues experienced by some IFAs during the first part of 2008.

### **Q. The acquisition of GE Life by Windsor Life did not go as smoothly as expected. Could you have done this better and what is the current state of play in terms of reassuring IFAs?**

**A.** Looking back our strength and focus was mainly on servicing policyholders, delivering them a solid safe return on their investments. We have had a lot of success in this. The acquisition of GE Life saw a change of direction for us because it was still open for new business, selling exclusively through IFAs. We went into it with our eyes open, but there is no doubt in my mind that actually the change required was greater than we expected. We should have done more initially to adapt to cope with the complexities of the new business.



**Steve Stewart,**  
Customer  
Services Director

### **Q. What specific problems did you face as a result of the acquisition?**

**A.** We were unprepared for the volume of calls from IFAs following the Part VII transfer of the GE Life business into Windsor Life at the end of 2007. IFAs were, quite rightly, looking to get a lot more information on what the change meant for them and their clients even though the change amounted to little more

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Windsor Life's Telford Office

than the change of name to Windsor Life. We struggled to keep up with demand for information and it caused a lot of disruption, with telephone volumes rising tenfold in the weeks following the transfer.

This compounded the view from some IFAs that we weren't there to support them. I think we are now getting there in terms of showing IFAs how serious we are in this market. We are getting out on the road to speak to people, as well as launching the new IFA portal and this newsletter.

**Q. You mentioned earlier that Windsor Life had a strong investment performance track record, which might come as a bit of a surprise to some advisers. Can you tell me a bit more about this?**

**A.** I believe we are totally aligned with IFAs in terms of the sort of performance they are seeking for their clients. Market conditions over the past 12 months have resulted in many IFAs looking for more solid, consistent fund performance. This is precisely our house style – we try and avoid the rollercoaster performance ride and focus on solid performance. If you take our Managed Fund over a five-year period, we have outperformed the industry median for this sector by a minimum of four per cent for the past six years. That is stunningly good performance by anyone's measure.


Our success relies on us retaining business through quality performance

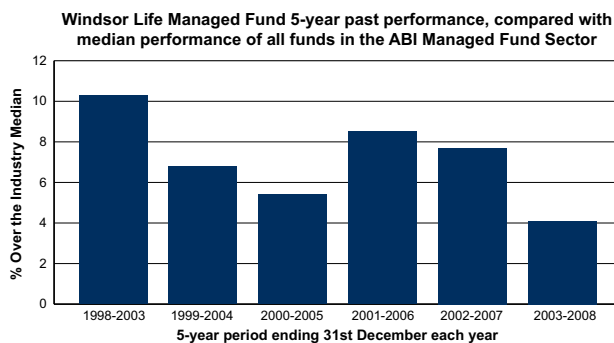
Moreover, our 10-year fund performance hasn't dipped outside the top quartile in over 10 years.

Our with-profits funds have also delivered strong performance on a consistent basis over a 10 to 15 year period, so policyholders are getting a very good return on their investment.

**Q. What is your strategy for the IFA market going forward?**

**A.** We will continue to grow the closed fund business through acquisition and that will inevitably give us an increasing footprint in the IFA market. As we grow our presence, we will be looking to build on the relationships we have now started.

Our success relies on us retaining business through quality performance and administration of the funds and policies on our books. We want to get away from the traditional closed book approach of servicing policies. This means paying regard to the differing requirements and demands that IFAs may have. So we plan to make it more of a two-way partnership. We would encourage IFAs to tell us their requirements and, if that means adapting, that is exactly what we will do in order to give IFAs the range of choices they need to serve their clients. 



Past performance is not a guide to future performance. Unit prices are liable to fluctuate on a daily basis and no reliance should be placed on the information quoted here in determining the current value of any individual investment. Performance is on bid-to-bid basis with income reinvested. We have based the industry median on data from Morningstar.

## 5 THINGS YOU MIGHT NOT KNOW ABOUT WINDSOR LIFE

**1** The company was originally incorporated in 1963 as Occidental Life, changing its name to Windsor Life when it moved to the Royal Borough of Windsor in 1972.

**2** Between 1982 and 1998 Windsor Life acquired a series of businesses, including Gresham Life and Crown Life.

**3** Windsor Life has grown from assets under management of £75m in 1987 to more than £19 billion by January 2009.

**4** Since 2008 Windsor Life has operated out of two offices, one in Telford, Shropshire and the other in Hitchin, Hertfordshire.

**5** Windsor Life has never been closed to new business. It offers a comprehensive range of fairly-priced flexible products to meet the needs and circumstances of its existing policy holders. To find out more visit our website [www.windsor-life.com](http://www.windsor-life.com).

# Q&A

## What funds are available for my clients?

All available funds and bid prices can be found on our website [www.windsor-life.com](http://www.windsor-life.com)

As you will see from the website we have kept open all the external fund links that were originally available for the GE/Tomorrow™ policyholders to use including funds from Schroder, Fidelity, Invesco Perpetual, Liontrust, BlackRock and BNY Newton.

## I read recently in one of the weekly IFA magazines that deflation will have an impact on annuities that track the Retail Price Index (RPI). What is Windsor Life's policy on this?

We will keep all annuities that track RPI at the same level. Unlike some other providers we will not apply a negative RPI adjustment. This is explicitly required under the contractual terms of certain annuity products, and we have decided to extend the benefit of this condition to all index-linked annuities in payment.

Windsor Life also offers an exclusive and highly attractive With-Profits Annuity to vesting Windsor Life policyholders. This has a valuable guarantee that the level of annuity income will never fall and has an excellent track record which we would be delighted to discuss with you.

For more information go to: [www.windsor-life.com](http://www.windsor-life.com)

## TALKING TO HIGHER RATE TAXPAYERS ABOUT PENSIONS

The aftermath of this year's Budget introduced the concept of 'anti-forestalling' rules to prevent those with taxable income of more than £150,000 from making large additional contributions into their pensions before their pension tax relief is reduced in 2011, potentially to the basic rate of tax.

This provides advisers with clients currently claiming higher rate relief on pension contributions with an opportunity to discuss the options to avoid being in breach of these proposed forestalling rules.

The current annual pensions allowance is unaffected and increases to £255,000 by 2010/11. However, the Finance Act 2009 will introduce a special annual allowance of £20,000 and a new tax charge which will only apply in certain situations. The tax charge will be the difference between the top rate of tax and the basic rate. For 2009/10 it will be 20%.

The new rules will affect people whose:

- pension savings increase over and above their normal pattern of regular pension savings, over the £20,000 special allowance in the tax year; and
- relevant annual income exceeds £150,000.

The Government will allow an increased special allowance of up to £30,000 for people who paid tax relievable contributions in 2006/07, 2007/08 and 2008/09 which averaged over £20,000 a year and were less frequent than quarterly.

The charge will not apply to:

- people with "relevant income" of less than £150,000 in the tax year, and in the preceding two tax years, however much they save into pensions, and
- people with "relevant income" of £150,000 or more in any relevant tax year who continue

their normal regular ongoing pension savings of more than £20,000 a year and do not increase them.

### Changing provider

We believe those with relevant income of £150,000 or more need to be careful they do not breach the new rules.


Someone with regular annual savings over £20,000 before 22 April 2009 is fully protected from the new rules if they keep their pension with the same provider.

If they switch to a new provider the excess savings may be subject to the new tax charge, despite their previous savings history.

### What is relevant income?

- total income before pension contributions, personal allowances and other reliefs and deductions,
  - less any normal deductions for reliefs (such as trading losses) including deductions for pension contributions but up to a maximum of £20,000,
  - less Gift Aid deductions.
- Salary sacrifice – any employment income given up by salary sacrifice in return for pension contributions or additional pension benefits must be counted as relevant income if the agreement was put in place on or after 22 April 2009.

### Adviser action

The precise details of how the new rules will work are uncertain and the pensions industry is currently in consultation with HMRC. Advisers should identify which among their existing clients the new proposals might be relevant to and contact them to make them aware of the proposals and what the consequences might be. 

All information in this article was correct as at 13 August 2009.

### Key Pension Dates

From April 2011, higher rate tax relief on pension contributions will be reduced for anyone with a 'relevant income' of £150,000 or more a year. Tax relief will be reduced to 20% for anyone on an income of more than £180,000 a year.

From 22 April 2009 rules were introduced to prevent people taking advantage of higher rate pension tax relief by making large additional pension contributions ahead of the new restrictions. This is known as anti-forestalling.

## OUR SERVICE TO YOU

tel: 0845 606 4135

web: [www.windsor-life.com](http://www.windsor-life.com)



- We have introduced a dedicated IFA direct line as part of our strategy to help improve service. You can make policy queries by telephoning 0845 606 4135. Our lines are open Monday to Friday from 9am to 5pm, excluding bank holidays.

- We are now completing over 90% of requests within our service standard and our Call Centre has an average call answering time of less than a minute. We also have an ongoing programme of work to make further enhancements to areas where our own monitoring shows that we can improve the service we provide.

- Windsor Life has made a significant long-term investment to develop its own unique administration system, widely recognised as the most efficient and flexible Life & Pensions IT platform in the UK. Using leading technology, it reliably handles your clients' data accurately and efficiently, reflecting our high standards of service and security.

## PRIZE DRAW

### England v New Zealand

Saturday 21 November 2009

Windsor Life would like to take three IFAs as guests to see the England versus The All Blacks match at Twickenham in November.

All you have to do is go onto the new IFA web portal on our website and submit your name and contact details.

Winners will receive tickets for the game, hospitality before the match and transport back into central London.

The closing date for entries is 31 October 2009 and the full terms and conditions can be found on the website.

Enter on: [www.windsor-life.com/IFA](http://www.windsor-life.com/IFA)



## MEET THE WINDSOR LIFE IFA RELATIONSHIP TEAM

*The IFA Relationship Team was set up in March 2008 in recognition of the importance of the IFA sector and your clients. The team has three key objectives: to develop and maintain relationships with you through visits and telephone calls; to increase your knowledge of Windsor Life with regard to our strategy, service, fund management and products and to engage directly with you in order to gain feedback about Windsor Life.*



**Who are you, and what's your job title?**  
Andy Barwell – IFA Relationship Manager

**Before you joined Windsor Life what did you do?** I have been in the insurance industry for 27 years working for a number of insurers in a variety of roles including IFA Relationship management. Latterly, I was working for Norwich Union.

**Not many people know this, but Windsor Life...** has two with-profits funds. The Windsor Life With-Profit Fund is for policyholders originally with Windsor Life, Gresham Life or Aegon Life and the National Mutual With-Profit Fund is for policyholders originally with National Mutual and includes business transferred from Tomorrow™.

**Tell us three interesting things.** I am married to Tracy and have two children Kye (6) and Iona (5). For my sins I am a keen follower of Watford FC and have seen many highs and lows over the past 35 years including the 1984 FA Cup Final. Finally, I am a qualified British Amateur Weightlifting Coach and Sports Masseur.



**Who are you, and what's your job title?**  
Ben Skelsey – IFA Relationship Analyst

**Before you joined Windsor Life what did you do?** Worked in the Financial Services industry for 10 years mainly managing pension administration teams.

**Not many people know this, but Windsor Life...** employs the majority of staff who joined us when we acquired the GE/Tomorrow™ book of business in 2006. Those staff are still based in Hitchin and continue to provide the same high level of service to your clients.

**Tell us three interesting things.** I am a big Chelsea fan, pre-Abramovich before you think glory hunter! My Grandad was Latvian so I could represent Latvia at football (if I were any good). I have recently moved in with my girlfriend who now officially hates Sky Sports.