

## 1. Bond 'for life'

**Fixed Bond Value:** £21,000

**Premium:** £100

Premium terms: One-off fixed premium payable upfront on application for the Deputy Bond. No further premium is payable thereafter during the lifetime of the Deputy Bond. This premium is non-refundable. This Bond Value cannot be varied.

## 2. All other bonds

Price is payable annually as follows:

**Initial premium:** 0.20% of the Bond Value. Payable upfront on application for the Deputy Bond.

On each anniversary of the date of the Court of Protection order appointing the Deputy subject to issue of the Deputy Bond: 0.20% of the Bond Value.

Further premium ceases to be due on the earliest to occur of the following events:

- The Court of Protection orders the discharge of the Deputy Bond;
- Death of "P" (the patient in respect of whom the Deputy Bond has been issued);
- Death of the Deputy;
- The Court of Protection orders the discharge of the Deputy (but does not discharge the Deputy Bond); and
- The date on which the Deputy ceases to be under a duty to discharge functions in respect of which he was ordered to provide the Deputy Bond.

Please note that we must be advised by the Office of the Public Guardian or the Court of Protection of the above events. If any of the above events has occurred, please could you contact both the Office of the Public Guardian and Howden so that we can update our records and stop any further premium becoming due.

**All premiums are non-refundable.**

Please note that any premium that has arisen prior to any of the above events taking place is still payable regardless of that event. For example, if the bond has been discharged, the initial premium and any other premium that became due on anniversary dates prior to the date of discharge (but which has not yet been paid) will still remain due and payable by the Deputy.

### Worked example:

#### £100,000 Deputy Bond

- The Court of Protection issues an order on 1 January 2024 appointing a Deputy subject to the Deputy arranging for issuance of a Deputy Bond with Bond Value of £100,000.
- The Deputy Bond is issued on 1 February 2024.
- The Deputy Bond is discharged by an order of the Court of Protection on 1 September 2027.

The initial premium payable on application for the Deputy Bond on 1 February 2024 is equal to £200 (being 0.20% of the Bond Value of £100,000).

On 1 January 2025 – being the first anniversary of the Court of Protection's initial order – a further premium payment of £200 becomes due.

On each subsequent anniversary of 1 January 2024 – being the date of the Court of Protection's initial order – further premium payments are due at the same amount of £200.

No further premium payments are due after 1 January 2027. This is because the Court has ordered discharge of the Deputy Bond on 1 September 2027 and therefore no further premium payments are payable.

## Additional information

### What happens if the Court of Protection increases or reduces the Bond Value?

In respect of all Deputy Bonds other than a 'Bond for Life' – the Bond Value will be automatically amended by the Court of Protection by way of an order varying the security value.

In the event of an increase or decrease in the Bond Value – with effect from the subsequent anniversary of the date of the Court of Protection order appointing the Deputy subject to issue of the Deputy Bond, premium will be calculated at the same rate (0.20% of the varied Bond Value).

In the event that the Court of Protection has ordered an increase in the Bond Value – this will result in a higher premium (when compared to the previous premium payment).

In the event that the Court of Protection has ordered a decrease in the Bond Value – this will result in a lower premium (when compared to the previous premium payment).

### Can the Bond Value of a 'Bond for Life' be varied?

No – the Bond Value of a 'Bond for Life' cannot be varied. Should the Court of Protection make a variation to the level of security, Deputies will be required to purchase a new bond at the revised security value. Please note there is no refund of premium in the event of early termination or replacement of the bond.

### Can I choose to transfer an Existing Deputy bond issued by another provider to Howden?

Yes. This will involve issuance of a new Deputy Bond by Howden and cancellation of the existing Deputy Bond by the previous provider.

### What happens if I choose to transfer by Deputy Bond to another provider?

It is always open to you to elect to 'transfer' your Deputy Bond to another provider approved by the Office of the Public Guardian. This would involve arranging for issuance of a new Deputy Bond by that other approved provider – and cancellation of the current Deputy Bond by Howden.

Please note that there will be no refund or return premium for any premium payments already made or due for payment.

## Worked example 1

### Variation of Bond Value upwards

- The Court of Protection issues an order on 1 January 2024 appointing a Deputy subject to the Deputy arranging for issuance of a Deputy Bond with Bond Value of £100,000.
- The Deputy Bond is issued on 1 February 2024.
- The initial premium is equal to £200 (being 0.20% of the Bond Value of £100,000).
- The Court of Protection subsequently issues an order on 1 September 2024 increasing the bond value to £125,000.

With effect from 1 January 2025 – being the next anniversary of the Court's initial order appointing the Deputy – the premium will be £250 (being 0.20% of the increased Bond Value of £125,000).

No additional premium is due in respect of the period from 1 September 2024 to 1 January 2025.

### Who is responsible for paying the premium?

Please note that all premiums are due and payable by the Deputy (or, in the event of more than one Deputy, each Deputy on a joint and several basis). In the sad event of P's death, or any other event which means that no further premium is payable, all unpaid premiums are still payable by the Deputy (or Deputies) and are incurred on a personal basis by those Deputy (and Deputies). Whilst typically premiums are paid for out of P's assets, outstanding premiums are a debt owed by the Deputy (or Deputies) to HCC International Insurance Company plc as issuer of the Deputy Bond.

### Why am I required to pay the first anniversary premium in less than 12 months from my first payment of premium?

For all Deputy Bonds other than 'bonds for life', premium is due (1) at the same time as you apply for your Deputy Bond (the "Initial Premium") and (2) thereafter on each anniversary of the Court's order appointing you as Deputy subject to arranging security (an "Anniversary Premium").

## Worked example 2

### Variation of Bond Value downwards

- The Court of Protection issues an order on 1 January 2024 appointing a Deputy subject to the Deputy arranging for issuance of a Deputy Bond with Bond Value of £100,000.
- The Deputy Bond is issued on 1 February 2024.
- The initial premium is equal to £200 (being 0.20% of the Bond Value of £100,000).
- The Court of Protection subsequently issues an order on 1 September 2024 decreasing the bond value to £75,000.

With effect from 1 January 2025 – being the next anniversary of the Court's initial order appointing the Deputy – the premium will be £150 (being 0.20% of the decreased Bond Value of £75,000).

No return or refund of premium is due in respect of the period from 1 September 2024 to 1 January 2025.

There may be a delay between the date on which you are appointed by the Court as a Deputy (which determines when the first Anniversary Premium is due) and the date on which you receive a letter from the Court notifying you that you must arrange for a Deputy Bond (which determines when the Initial Premium is due – because that is the point at which you will apply for a Deputy Bond).

As a result, the first Anniversary Premium (which is due 12 months from the Court's order appointing you as Deputy) may become due within 12 months of the Initial Premium having been paid (i.e. the date on which you applied for a Deputy Bond).

Thereafter, further Anniversary Premiums will become payable on an annual basis.

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