

# POLICY BOOKLET

## INTRODUCTION

Words that appear in bold are explained in the section headed 'Definitions'.

This Policy Booklet shows **you** the features, benefits and exclusions (things that are not covered) that apply to this product.

### WHO IS COVERED?

The **life insured** is covered.

### PREMIUMS

Premiums can be paid either monthly or annually and start on the **policy start date**.

#### Guaranteed premiums

**Your** premiums are guaranteed and will not change unless **you** make changes to the policy using the options available in section headed 'Changing your policy'.

#### Increasing cover

**You** may have the option to choose an increasing policy, the premiums will increase in line with the changes in the Retail Prices Index (RPI) multiplied by 1.5 subject to a maximum increase of 15% per annum.

The RPI provides an indication of inflation on a monthly basis. The RPI measures and tracks the average change in the purchase price of goods and services such as housing expenses and mortgage interest payments.

### WHAT HAPPENS IF THE PREMIUMS ARE NOT PAID?

**We** are entitled to cancel the policy if any premiums are not paid within 60 days of their due date. If **we** cancel the policy, **your** cover will end and no further premiums will be payable. **We** will not refund any premiums already paid.

### WHAT HAPPENS TO AN ANNUAL PREMIUM IF A CLAIM IS PAID?

If the premium is paid annually and claim is paid, **we** will pay a pro-rata refund of the premium for the remaining months of that year. The policy will end when a claim is paid and no further premiums will be payable.

## AMOUNT OF COVER

### Level cover

If **you** choose level cover the amount of cover will stay the same unless **you** change it using the options available in the section headed 'Changing your policy' during the period of cover.

### Decreasing cover

If **you** choose decreasing cover the amount of cover will reduce during the period of cover. Decreasing cover is often used to help protect a business loan or commercial mortgage. **We** apply an interest rate to the original amount of cover to estimate the amount that **you** repay each month on **your** business loan or commercial mortgage and the amount **you** are covered for will decrease accordingly.

If the interest rate **we** apply is less than the interest rate that is actually applied to **your** business loan or commercial mortgage, or **your** business loan or commercial mortgage changes, the amount **we** pay out may not be enough to repay **your** business loan or commercial mortgage in full.

The interest rate applied will be shown in **your** Policy Booklet.

To ensure that the amount paid out will cover the amount of **your** outstanding business loan or commercial mortgage **you** should check regularly that the interest rate applied to the policy is equal to or higher than the interest rate applied to **your** business loan or commercial mortgage by **your** lender.

### Increasing cover

**You** may have the option to choose increasing cover, the amount of cover will increase in line with changes in inflation on each policy anniversary with no need to answer further questions about **your** health.

The amount of cover, including any increases **you** have already accepted, will increase in line with the changes in the Retail Prices Index (RPI) over a 12 month period. If **we** cannot use the RPI, **we** will use an index comparable to the RPI instead.

**We** will contact **you** at least three months before the policy anniversary to tell **you** what the increase in the amount of cover and premium will be.

If the change in the RPI is less than 1% **we** will not increase the amount of cover.

If the change in the RPI is more than 10% **we** will only increase the amount of cover by 10% per annum.

### Your options

Accept the increase:

If **you** choose to accept the increase **you** do not need to take any action. **We** will increase the amount of cover and the premium and update **your** direct debit.

Decline the increase:

When **we** notify **you** of an increase, **we** will also give **you** the option to decline the increase. To decline an increase, **you** must complete and return the form in the letter **we** send to **you** by the date shown.

If **you** choose to decline the increase to the amount of cover and premium, then **we** will withdraw the option and **you** will not be given the option to increase the amount of cover in the future.

### HOW LONG IS COVER FOR?

**You** are covered from the **policy start date** until the **policy expiry date** unless one of the following occurs first:

- The amount of cover is paid out, or
- If the policy is cancelled by **you** or **us**.

Cover will stop when the policy ends and no further premiums will be payable.

### WHAT IS COVERED?

The amount of cover, subject to the exclusions defined in the section headed 'What you are not covered for' is paid if, before the **policy expiry date**, the **life insured**:

- dies
- is diagnosed with a terminal illness

whichever occurs first.

If **you** choose a joint life policy, the amount of cover is paid when either **life insured** dies or is diagnosed with a terminal illness.

#### Terminal Illness Cover

This is an advance payment of the amount of cover where the **life insured** has a terminal illness.

Terminal illness is defined as a definite diagnosis by **your** hospital consultant of an illness that satisfies both of the following:

- The illness either has no known cure or has progressed to the point where it cannot be cured; and
- In the opinion of **your** hospital consultant and **our** Medical Officer (a qualified doctor employed by Legal & General), the illness is expected to lead to death within 12 months.

No terminal illness claim can be made after the death of the **life insured**.

## WHAT YOU ARE NOT COVERED FOR

- **Death in the first year**

The policy will be cancelled if within the first year of the policy, the **life insured** dies as a result of:

- Suicide, or
- Intentional and serious self-injury, or
- An event where, in **our** reasonable opinion, the **life insured** took their own life.

### Assessing a claim for death in the first year

If a suicide verdict is not given **we** may decide in **our** reasonable opinion that the **life insured** has taken their own life. **We** will take into account:

- The method and timing of death.
- The evidence available from the time and place of death.
- Any documentation left by the deceased or available from others.
- Previous medical history that **we** are reasonably entitled to obtain.

- **You** will not be eligible to make a claim under the policy chosen if:

- the **life insured** doesn't meet the definitions for cover as described in the section(s) headed :
  - 'What is Covered'
  - Waiver of Premium
- the premiums under the policy are not up to date.

- The policy is offered or issued subject to the cancellation of a specified policy(ies), and **you** did not cancel it (them).

- During the application process **we** will ask **you** questions about **your** personal circumstances and **we** may request additional information from **you** in order to make an assessment and offer **you** a policy. The **life insured** is required to answer all of **our** questions honestly and accurately.

a) If **you** (or an agent acting on **your** behalf) deliberately or recklessly provide inaccurate information **we** are entitled to cancel the policy and refuse to pay the amount of cover. In these circumstances **we** may not refund any premiums **you** have already paid.

b) If **you** (or an agent acting on **your** behalf) provide inaccurate information through carelessness, **we** are entitled to amend the policy to reflect the terms that would have been offered had the accurate information been known. In these circumstances:

i. if **we** would not have issued the policy had the accurate information been provided, **we** are entitled to cancel the policy, however **we** will refund any premiums **you** have already paid;

ii. if **we** would have issued the policy on different terms and conditions (other than those relating to premiums) had the accurate information been provided, **we** may make changes to the policy terms and conditions and treat the policy as if it had been issued on the different terms and conditions;

iii. in addition, if **we** would have issued the policy with higher premiums had the accurate information been provided, **we** may reduce the amount of cover to reflect the higher premiums that would have applied had the accurate information been provided. The following formula will be used in these circumstances :

$$\text{New amount of cover} = \frac{\text{Premium actually charged} \times \text{original amount of cover}}{\text{Higher premium}}$$

## WAIVER OF PREMIUM

**You** may have the option to choose Waiver of Premium at the start of the policy, it will be an additional cost.

If the **life insured** meets **our** definition of incapacity for 26 consecutive weeks, **you** won't have to pay premiums. This benefit will start after the 26th consecutive week of incapacity and continue until the earlier of:

- The end of the period of incapacity, or
- Payment of the amount of cover, or
- On the **policy expiry date**.

### Incapacity

Depending on the **life insured's** employment status when a claim is made, incapacity is defined as:

The **life insured** is totally incapable of carrying out their normal occupation by reason of an illness or injury which occurred after the **policy start date**, necessitating medical or surgical treatment and is not carrying out any other occupation or paid employment.

Or

If the **life insured** is not in paid employment and they are unable to do three or more of the following Specified Work Tasks as a direct result of an illness or injury which occurred after the **policy start date**:

The Specified Work Tasks are:

<b>Walking</b>	The ability to walk more than 200 metres on a level surface.
<b>Climbing</b>	The ability to climb up a flight of 12 stairs and down again, using the handrail if needed.
<b>Lifting</b>	The ability to pick up an object weighing 2kg at table height and hold for 60 seconds before replacing the object on the table.
<b>Bending</b>	The ability to bend or kneel to touch the floor and straighten up again.
<b>Getting in and out of a car</b>	The ability to get into a standard saloon car, and out again.
<b>Writing</b>	The manual dexterity to write legibly using a pen or pencil, or type using a desktop personal computer keyboard.

The **life insured** may be required to have a medical examination by an appropriate medical specialist appointed by **us** regardless of the incapacity definition applied at claim.

### Countries where this benefit is provided

The **life insured** is covered for Waiver of Premium if they:

- reside or travel within the UK,
- reside or travel within the European Union, or
- travel outside of the UK or European Union for no more than three consecutive months in any 12 months.

If the **life insured** travels outside of the UK or the European Union for more than three consecutive months in any 12 months **we** will act reasonably when assessing whether the **life insured** meets the definition of incapacity.

For details about how to make a Waiver of Premium claim, please see the section headed 'Making a claim'.

### CHANGING YOUR POLICY

On the occurrence of specified events **you** have the option to increase the amount of cover without the need for further medical information. To do this the policy must be taken out before the **life insured's** 55th birthday. This option may not be available if **we** apply a premium increase to **your** cover as a result of the information **you** give **us** in **your** application. **Your** policy documents will explain if this option is available to **you**.

If the following do not apply when **you** want to change **your** cover then there are alternative ways outlined in the section headed 'Other Changes'.

You can use this option:

a) If the policy has been taken out to cover a business loan, for the purpose of:

- a business acquisition, or
- a business expansion, or
- buying, extending or altering business premises

**you** will have the option to increase the amount of cover in the event that the business loan is increased.

b) If the policy has been taken out to cover loss of profit in the event the **life insured**

- dies, or
- is diagnosed with a terminal illness

**you** will have the option to increase the amount of cover if:

- the **life insured's** value to the business increases, or
- the **life insured** receives an increase in earnings.

c) If the policy has been taken out to cover the ownership or interest in a business of:

- a working partner, or
- a working director, or
- a shareholder, or
- Members of a Limited Liability Partnership;

**you** will have the option to increase the amount of cover in the event that there is an increase in the value of that ownership or interest.

This option must be used within six months of the event. If **we** request relevant documents in relation to the events, **you** must provide them to **us** in order to process **your** request.

**The amount cover can increase by**

For all increases, the amount of cover may only be increased on each occasion by the lower of:

- 100% of the original amount of cover, or
- £250,000,
- if (a) above applies, the increase in the value to the business loan,
- if (b) above applies, the increase in the **life insured's** earnings or their value to the business,
- if (c) above applies, the increase in value of the **life insured's** ownership or interest.

The maximum total of all increases permitted is £250,000.

**How we provide cover for an increase**

If **you** use this option an additional policy will be issued in respect of the increase, which will:

- not allow **you** to increase **your** cover without additional medical evidence,
- not extend beyond the **life insured's** 65th birthday or one year after the **policy expiry date** of this original policy, whichever is earlier,
- only have increasing cover if this was selected when the policy was taken out and the option to increase has been accepted by **you** at all policy anniversary dates, and
- be subject to the premiums, terms and conditions for such policies at the time the additional policy is issued.

In circumstances where **we** no longer offer the chosen policy at the time **you** wish to use this option, **we** will offer **you** a reasonable available alternative.

**When this option is not available**

This option will not be available to **you** :

- After the **life insured's** 55th birthday. If two people are covered this applies to the older **life insured**.
- If a claim under Waiver of Premium is been made until the end of the period of incapacity,
- If the **life insured** has been diagnosed with or is receiving or has received medical treatment for **our** definition of:
  - A terminal illness

### JOINT LIFE POLICY SEPARATION

If **you** take out a joint life policy **you** can separate it if:

- a) **you** divorce, or
- b) **you** dissolve **your** registered civil partnership, or
- c) either of **you**
  - i. take over an existing mortgage in one name, or
  - ii. take out a new mortgage in one name.

**We** will cancel this policy and start a new single life policy for each **life insured**.

**You** must make the request within six months of the event being finalised.

#### What we need to process your request

- a) Evidence to support **your** request in the form of:
  - i. A decree absolute if **you** get divorced, or
  - ii. A final order for the dissolution of **your** registered civil partnership, or
  - iii. Proof of ownership of the relevant mortgage.
- b) The consent of both lives insured by completing and returning an amendment form issued by **us**, which includes a short questionnaire about the **life insured's** health, medical history, residency and leisure activities.
- c) If either **life insured** answers 'yes' to any of the questions in the amendment form, **we** will require **you** to complete a full application form in order to set up a single life policy. Where **we** undertake a full medical and lifestyle assessment, depending on the answers there may be circumstances where **we** may not be able to offer cover to both of the lives insured.

#### How we will provide cover

- a) The new single life policies will include the same cover as the original policy. **We** will not change the cover in any other way, other than making it a single life policy.
- b) The new single life policies will be subject to premiums, terms and conditions available at the time **you** make the change.
- c) The maximum amount of cover for each new policy will be the lower of:
  - The amount of cover on the original joint life policy, or
  - £1,000,000.
- d) The term of each new policy will not extend beyond the **life insured's** 70th birthday or one year after the **policy expiry date**, whichever is earlier.



## OTHER CHANGES

**You** can request any of the following changes to the policy:

- Increase or decrease the amount of cover.
- Extend or reduce the period of cover.
- Remove a **life insured**, if joint life cover is chosen.
- Change the frequency of **your** premiums between annually and monthly.

### What we may need to process your request

- a) **Your** consent to the changes by completing and returning an amendment form issued by **us**, which includes a short questionnaire about the **life insured's** health, medical history, residency and leisure activities.
- b) If the **life insured** answers 'yes' to any of the questions in the amendment form, **we** may require **you** to complete a full application in order to make the changes to the policy. Where **we** undertake a full medical and lifestyle assessment, depending on the answers there may be circumstances where **we** may not be able to offer cover to both of the lives insured.
- c) Any documents reasonably required by **us** to support **your** request.

### How we will provide cover

**We** will confirm if the change **you** have requested means the original policy has to be cancelled and a new policy issued, which may have different terms and conditions.

Any changes **you** make may affect the premiums that are payable.

**We** will confirm the change **you** have made.

## GENERAL CONDITIONS

- **We** may make changes to the policy terms and conditions that **we** reasonably consider are appropriate due to a change in any applicable legislation, regulation or taxation. In such circumstances, **we** will notify **you** in advance of any changes being made.
- **We** have the right by notifying **you** to:
  - i. cancel this policy; and
  - ii. not pay a claim on this policy; and
  - iii. take other reasonable actionin order to comply with laws, regulations, sanctions regimes, international guidance and/or demands from any authorities, relating to Financial Crime Risk Management Activity.
- The policy is governed by English Law.
- All communication in relation to the policy will be in English.
- The right to exercise any option under the policy or to exercise any right conferred by the policy is limited to such as are allowed in the terms of the policy and as are compatible with the requirements of Paragraph 19(3) of Schedule 15 of the Income and Corporation Taxes Act 1988 for a qualifying policy.

## MAKING A CLAIM

### Notifying us of a claim

To make a claim under the policy, please notify **us** using our claims contact details in the section headed 'How to Contact us'. When claiming **we** will need the policy number, the **life insured's** GP/Doctors contact details and **your** contact details.

Type of Claim	What we need
<b>Life cover</b>	The date of death
<b>Terminal Illness Cover</b>	Details of the illness and diagnosis
<b>Waiver of Premium</b>	<b>You</b> must notify <b>us</b> of a claim within 16 weeks of the start of the <b>life insured's</b> incapacity, otherwise <b>we</b> will consider the start of their incapacity to be 16 weeks before the date <b>we</b> are told. <b>We</b> may not insist on this if there are exceptional medical or other reasons why <b>you</b> cannot tell <b>us</b> within 16 weeks of the start of incapacity.

## ASSESSING YOUR CLAIM

**We** may send **you** a claim form to complete and return to **us**. In order to assess **your** claim **we** will require different evidence depending on the type of claim **you** are making.

**We** may also ask for the Policy Booklet and any other documents **we** may reasonably require for the claim **you** are making.

Type of Claim	Evidence required
<b>Life cover</b>	The death certificate of the <b>life insured</b>
<b>Terminal Illness Cover</b>	Proof that the definition has been met
<b>Waiver of Premium</b>	Proof that the relevant incapacity definition has been met.

If **you** do not provide any information or documentation that would reasonably be required to assess the claim, **we** will not process the claim until the information or documentation is made available.

## WHO WE PAY THE COVER TO

The amount of cover is paid to **you**. In most cases, this means that **we** will make payment directly to the legal owner of the policy, or if that person is dead, to their personal representative (usually the executor named in their will). This also means that if the policy has been placed in trust, **we** will make payment to the trustees, and if the policy has been assigned, **we** will make payment to the assignees.

## PAYMENT OF COVER

**We** will pay a claim for any of the cover described in the section headed 'What is covered' as a lump sum. Cover can only be paid in pound sterling (GBP) to a bank account in the UK. If **you** wish to receive payments outside the UK, then arrangements for such transfers must be made at **your** own expense.

## REPLACEMENT COVER

If **you** choose to take out a joint life policy and one of the lives insured makes a valid claim under full cover, as defined in the section headed 'What is covered', **you** can request to continue cover for the other **life insured** as a new single life policy.

**You** must request this option within six months of a valid claim under full cover being paid.

### What we need to process your request

- a) The consent of the **life insured** who hasn't claimed under full cover, by completing and returning a replacement cover form issued by **us**, which includes a short questionnaire about the **life insured's** health, medical history, residency and leisure activities.
- b) If the **life insured** who hasn't claimed under full cover, answers 'yes' to any of the questions in the replacement cover form, **we** will require **you** to complete a full application form in order to set up a single life policy. Where **we** undertake a full medical and lifestyle assessment, depending on the answers there may be circumstances where **we** may not be able to offer cover to the **life insured**.

### How we will provide cover

- a) The new single life policy will include the same cover as the original policy. **We** will not change the cover in any other way, other than making it a single life policy.
- b) The amount of cover will be the same as the original policy. If decreasing life cover is chosen, the amount of cover will be the remaining amount of cover at the time a valid claim under full cover was paid on the original policy.
- c) The term of the new policy will not extend beyond the **life insured's** 70th birthday or one year after the **policy expiry date**, whichever is earlier.
- d) The new single life policy will be subject to premiums, terms and conditions available at the time **you** make the change.

## USEFUL CONTACTS

Reason for contact	Contact details	Contact address
General Enquiries Change the policy Cancel the policy	0370 010 4080 *	Legal & General Assurance Society Limited City Park The Droveaway Hove East Sussex BN3 7PY
Claims for: Death or Terminal Illness Cover Waiver of Premium	0800 137 101 * 0800 068 0789 *	Legal & General Assurance Society Limited City Park The Droveaway Hove East Sussex BN3 7PY
Make a complaint	0370 010 4080 *	Legal & General Assurance Society Limited Knox Court 10 Fitzalan Place Cardiff CF24 0TL

\*We may record and monitor calls. Call charges will vary.

### HOW TO CANCEL THE POLICY

**You** can cancel the policy at any time. Once the policy starts **we** will provide **you** with a notice of **your** right to cancel.

If **you** cancel the policy within 30 days of receiving both the notice and the policy, **we** will refund any premiums paid.

If **you** cancel the policy after 30 days and pay monthly premiums, **you** will not get any money back. If **you** pay annually, **you** will receive a proportionate refund of **your** annual premium.

If **you** cancel the policy, the cover will end and no further premiums will be payable.

### HOW TO MAKE A COMPLAINT

If **you** wish to complain about the service **you** receive from **us**, or **you** would like **us** to send **you** a copy of **our** internal complaints handling procedure, please contact **us**.

If **you** remain dissatisfied, **you** can complain to:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Telephone:

- 0800 023 4567
- 0300 123 9 123

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint will not affect **your** legal rights.

### THE FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)

The FSCS is designed to pay compensation if a firm is unable to pay claims, because it has stopped trading or been declared in default.

So, if **we** run into financial difficulties, **you** may be able to claim via the FSCS, for any money you've lost. However, before looking to pay compensation, the FSCS will first see if they can arrange for the continuity of **your** current policy. The FSCS may arrange for the policy to be transferred to another insurer or arrange for a new policy to be provided.

Most of **our** customers, including most individuals and small businesses, are covered by the FSCS. Whether or not **you** can claim, and the amount **you** could claim, will depend on the specific circumstances of **your** claim. The FSCS will pay 100% of the value of the claim.

**You** can find out more about the FSCS, including eligibility to claim, by visiting its website

[www.fscs.org.uk](http://www.fscs.org.uk)

or call

**0800 678 1100.**

The rules of the FSCS might change in the future and the FSCS may take a different approach on their application of the above, depending on what led to the failure.

### SOLVENCY AND FINANCIAL CONDITIONS REPORT (SFCR)

**We** are required to publish an annual Solvency and Financial Condition Report (SFCR) describing **our** Business and its Performance, **our** System of Governance, Risk Profiles, Valuation for Solvency Purposes and Capital Management . **Our** latest SFCR is available at: [www.legalandgeneralgroup.com/investors/library](http://www.legalandgeneralgroup.com/investors/library).

### DEFINITIONS

**Life insured** - The person whose life is covered under the policy. If there is more than one life covered then this definition covers all lives insured.

**Our, us or we** - Legal & General Assurance Society Limited.

**Policy expiry date** - The date that cover under the policy will end.

**Policy start date** - The start date of the policy.

**You or your** - The owner(s) of the policy who is/are legally entitled to receive the amount of cover when a valid claim is made. This may include trustee(s), assignee(s) or personal representative(s) (where appropriate) and may be the **life insured**.

## Alternative formats

If you would like a copy of this in large print, braille, PDF or in an audio format, call us on **0370 010 4080**. We may record and monitor calls. Call charges will vary.



[www.legalandgeneral.com](http://www.legalandgeneral.com)

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