1.5 When will cover end?

a) Under normal circumstances

We will stop covering a **member** when they:

- leave your employment; or
- no longer meet the eligibility conditions; or
- retire early; or
- reach the **benefit termination date** set out in the **policy**. This can be the age a **member** could receive a United Kingdom state pension (**state pension age**). Alternatively it can be any age up to 75; or
- reach the end of a period of temporary absence cover without returning to work.

If you ask, we can consider continuing to provide cover if the **member** retires early. Our quote and **policy** will tell you if we've included this option.

b) If you, or we, cancel the cover

All cover will end when you, or we, cancel the **policy**.

- We'll continue your cover as long as you meet the conditions we show in the **policy** document.
- You can cancel the **policy** by giving us notice in writing.
- We'll give you 14 days' notice in writing if we have to cancel the **policy** because you haven't met its conditions.
- We can cancel the **policy** immediately if we identify a **financial crime risk**.

  Please see page 29 for further details about our approach to **financial crime** risks.

We'll give you full details of our cancellation terms in the **policy** document.

1.6 What is the maximum benefit you will cover?

The maximum cover we can insure for a **member** is £10 million. This is a combined maximum for Group Life Assurance and the equivalent lump sum value of Dependants' Pensions.

If you choose to insure a multiple of **scheme earnings**, we'll usually base this on the basic annual salary of the **member**. However, we can consider alternatives, for example, we can include other income such as bonuses or commission. Our quote will show the definition of **scheme earnings** we've agreed to insure.

When you think about the type and amount of benefit you'd like us to cover, you should consider the HMRC allowances if the benefits are under a **scheme** that's **registered**:

The Finance Act 2004 introduced a **lifetime allowance** that restricts the tax-free lump sum benefits that you can pay from a **scheme** that is **registered**. HM Treasury sets the **lifetime allowance** and it is £1,073,100 for the tax year 2023/24.

Income tax could be due on any lump sum benefits paid that are over the **lifetime allowance** and be charged at the marginal rate for the person or persons, receiving the lump sum benefit unless the **scheme** allows you to buy a Dependants' Pension.

When you work out the potential for tax charges on the benefit, you also need to consider payments from other **registered** schemes the **member** may have joined. For example, there could be a return of funds under a money purchase pension scheme.

If you have **members** with lump sum benefits above the **lifetime allowance** you can consider providing their benefits under an **excepted group life policy**.

Enhanced protection was available to anyone with pension rights at 5 April 2006. To qualify for enhanced protection, an employee would have had to apply to HMRC before 6 April 2009.

Fixed protection was available to anyone who applied to HMRC before 6 April 2012 to keep a personal **lifetime allowance** of £1.8 million.

Fixed protection 2014 was available to anyone who applied to HMRC before 6 April 2014 to keep a personal **lifetime allowance** of £1.5 million.

Fixed protection 2016 is available for individuals to apply to HMRC to keep a personal **lifetime allowance** of £1.25 million.

If they prefer to fill in the form themselves, you can ask us for a copy or can find the member's declaration form in the literature section on our website legalandgeneral.com/documentlibrary.

Depending on the information a **member** gives us in the member's declaration form or over the phone, we sometimes need to ask for more evidence. This could include a medical examination and blood or other tests. The **member** may have the choice of carrying these out at home or at work by a nurse. We'll pay for the cost of the medical examination and tests if we ask for more evidence.

We'll assess all the medical evidence to decide if we can offer cover and if any **special terms** are appropriate. If we do apply **special terms**, these will apply straight away.

We'll write to you to explain any **special terms**. If this includes an **extra premium loading** and you decide you don't want to pay this, you can cancel the cover the loading is for by telling us in writing within 30 days.

A **member's** status in an **excepted group life policy** will not be affected, if their cover is restricted because of **medical underwriting**.

Unless we tell you otherwise, the **special terms** will not affect the cover below the **free limit** or any cover we've previously accepted.

If you insure more than one group life assurance or dependants' pension **policy** with us, unless we tell you otherwise, any **special terms** will continue to apply to the **member's** total cover under all the **policies**.

2.3 If you have medically underwritten an employee, when will they next need to give you medical evidence?

We have two types of **medical underwriting**, forward underwriting and ONEderwriting. The one we will use depends on the number of **members** we cover under the **policy**. We'll give you full details of our **policy** requirements for medical evidence when we start cover. A summary of when we next need medical evidence follows:

Forward underwriting
Fewer than 20 members

This means, once we **medically underwrite** a **member** they won't normally need to give us more medical evidence for increases in cover for another five years.

The medical evidence we need will depend on the amount of the increase and any existing **special terms**. However, unless we tell you otherwise, our standard approach will be:

If we **medically underwrite** a **member**, and agree cover on any of the following terms:

- ordinary rates;
- an **extra premium loading** of 50% or less that you are paying;
- an exclusion for hazardous pursuits;

they won't normally need to give us more medical evidence for an increase until the earliest of:

- It's been five years since we last **medically underwrote** them.
- The **member's** cover increases by more than 15% above their cover within any 12-month period starting on or after the day we finished their **medical underwriting**.
- The total of all increases after **medical underwriting** is more than £300,000.
- If our terms for a change to the **policy** ask for medical evidence; it will be the date you ask us to make the change from.

Where we allow for future increases after we've **medically underwritten** a **member**, we'll apply the last **medical underwriting** terms to each increase. If you're paying an **extra premium loading**, you must tell us before the date of the increase and the amount of all increases as we'll need to add the **extra premium loading** to each increase. If you change your mind and you don't want us to cover the increase, you can tell us within 30 days after the date of the increase that you no longer need it. If you do, we will stop using forward underwriting for that **member**.

If we **medically underwrite** a **member** and apply any other terms to the requested cover, we'll need medical evidence before we'll consider any further increase in their cover.

2.5 What are your actively at work requirements?

We've described below when we need employees to be **actively at work** before we can start their cover or start covering any increases in their cover. We'll tell you in our quote if your **policy** has different **actively at work** terms.

Actively at work	
What does this mean?	This means the employee must be in full active employment, physically and mentally able to perform all the duties associated with their normal job on the day the cover is going to start or there's an increase to their cover.
How it works	**New policies** We'll need employees to be **actively at work** on the day we start cover for: • a new **scheme** including less than 100 employees; and • an existing **scheme** you are insuring for the first time. We will not need **members** to be **actively at work** if a new **scheme** includes 100 or more employees. **If you're switching the insurance of an existing scheme to us** Employees don't need to be **actively at work** for any existing cover you switch to us from another insurer. If you improve the eligibility or increase the benefit at this time: • employees joining because of the eligibility change will need to be **actively at work** before we start their cover; and • employees will need to be **actively at work** before we insure that increase in cover. Please also see question 2.4 for our other terms for switching insurance. **After the policy start date** We won't need employees to be **actively at work** unless we tell you otherwise in our quotation. Normally this will only be in certain circumstances, such as for new entrants to an **exact cost scheme** (see question 3.1) with daily entry or late entrants (see question 2.6) or increases to cover for **members** who have been ONEderwritten (see question 2.2). **Cover for employees who are not actively at work** If an employee isn't **actively at work**, we won't cover them or increase their cover until they are next **actively at work**.

2.6 What medical evidence do you need for employees who want cover before or after they are first eligible?

	Early entrants	Late entrants
What does this mean?	An early entrant is an employee you want us to cover before they complete the qualifying service or reach the first entry date. See question 1.2 for more details.	Where all, or extra, benefit is limited to employees who join your pension scheme, a late entrant is an employee who joins your pension scheme after they are first eligible to join.
When can an employee's cover start?	If you want to include an employee as an early entrant within three months after their employment starting, we'll agree cover for them up to the **free limit**.	**Joining up to six months late** If you want to include an employee who joins your pension scheme within six months after the date they were first eligible to join, we'll cover them up to the **free limit**. **Joining late at an auto enrolment event** An auto enrolment event is the day you start pension scheme auto enrolment. It's also the day every three years when you automatically re-enrol the employees to the pension scheme who had previously decided to opt-out. • If you want to include an employee at an auto enrolment event that is within six months after the date they were first eligible to join, we'll cover them up to the **free limit**. • If your **policy** insures 100 or more employees at the auto enrolment event, we'll also cover all other late entrants on that day up to the **free limit**. • If your **policy** insures fewer than 100 employees at the auto enrolment event, as long as they are **actively at work**, we'll cover all other late entrants on that day up to the **free limit**. For the above, the 100 employees includes those who have joined because of the auto enrolment event. **Joining late at any other time** For all other employees you want to include as a late entrant, as long as they are **actively at work** we'll agree cover for them up to the lower of: • the **free limit**; and • £250,000 benefit. If we cover dependants' pension, you'll need to add the lump sum value of the dependants' pension benefit to any lump sum life assurance benefit before you check it against the £250,000 limit. We'll give you details of how to do this when the **policy** starts.

4.0 How does the accounting work?

We'll work out the accounts at the start of the **policy** and then every year at a date we call the **annual renewal date**.

You'll need to pay us premiums in advance, either yearly or monthly. Yearly premiums are approximately 2% lower than the total of 12 monthly premiums.

You can pay yearly premiums by cheque or bankers' automated clearing system (BACS). You can only pay monthly premiums by direct debit.

When you apply for a **policy** online using our Digital Broker Platform we'll work out your first year's premium using the membership list you gave us for the quote. We won't ask for a membership list at the **policy** start date our Digital Broker Platform requires a recent membership before it provides an online quote.

When other **policies** start, including those set up through ONIX our new online service, we'll work out and ask you to pay estimated premiums based on the membership list you gave us for the quote. If the membership list has changed, we'll ask you for an updated list that's accurate on the day the **policy** starts. We'll use the new list to work out the accurate premium and identify who we're covering. You will then have to pay, or we will refund, any difference between the estimated and accurate premiums.

For all **policies**, at each **annual renewal date**, we'll ask you to pay an estimated premium, based on the previous year's **member** data, until you give us the up-to-date membership list. We'll then work out the accurate premiums.

If we insure two or more **excepted group life policies** insuring the benefits of a single **scheme**, we will usually account and charge premiums for them together. However we will account for **policies** separately if we're using **exact cost** accounting.

4.1 What information do you need for accounting?

For all **policies** you must tell us about anyone who needs to give us medical evidence before we can consider their full cover. This will include:

- When an employee's cover goes over the **free limit** for the first time.
- Anyone who needs cover before or after they are first eligible and our terms say medical evidence is needed.
- If our terms say we need medical evidence for cover.

We suggest you regularly check if medical evidence is needed and not leave it to the **annual renewal date**. Regular checks will help you make sure you have the cover you need.

For unit rate policies

At the start of the **policy**, and at each **annual renewal date**, you will need to give us a membership list showing each current **member's**:

- name;
- gender;
- date of birth;
- benefit;
- **scheme earnings** (if applicable);
- eligibility category (if there's more than one); and
- if it applies, the level of Dependants' Pension (split into portions if different increase rates apply to different parts of the pension).

If the **policy** is set up on sweep-up accounting we'll also need to know the **total benefit** at the day before each **annual renewal date**. We use this to work out the end-of-year adjustment.

Please read question 4.2 for more details about the sweep up accounting adjustment.

It's important we get this renewal information quickly so we can work out the accurate premium and give you accurate accounts. If the information is not received within three months of an **annual renewal date** we can cancel the **policy** or change the terms and conditions of the **policy**.

It's also important that we know exactly who's covered under the **policy**. If you don't include an employee who you should have included on the membership list at the start of the **policy** or the **annual renewal date**, we won't pay a claim for them.

For exact cost policies

At the start of the **policy** and at each **annual renewal date** you will need to give us a membership list showing each **member's**:

- name;
- gender;
- date of birth;
- benefit;
- **scheme earnings**;
- eligibility category (if there's more than one);
- if it applies, the level of Dependants' Pension (split into portions if different increase rates apply to different parts of the pension);
- date of joining for employees whose cover started between **annual renewal dates**;
- date of leaving for employees whose cover ended between **annual renewal dates**; and
- if the **policy** allows, the amount and date of any changes to benefit since the last **annual renewal date**.

It's important we get this renewal information quickly so we can work out the accurate premium and give you accurate accounts. If the information is not received within three months of an **annual renewal date** we can cancel the **policy** or change the terms and conditions of the **policy**.

It's also important that we know exactly who's covered under the **policy**. If you don't include an employee who you should have included on the membership list at the start of the **policy** or the **annual renewal date**, we won't pay a claim for them.

4.2 How do you adjust premiums for employees who join, leave or have benefit increases during the policy year?

We'll normally use exact-cost accounting for **policies** with nine or fewer **members**, and for all others either sweep-up or no change accounting. We'll tell you in our quote which accounting method we'll use.

Sweep-up accounting

We'll adjust premiums at the end of each **policy** year for changes that are in line with the agreed eligibility conditions and benefit basis. Our adjustment assumes all changes in membership and cover took place midway through the year. We'll charge an extra premium or pay you a refund at the beginning of the next **policy** year.

For **excepted group life policies** grouped together for accounting purposes, we'll work out a single adjustment for all these **policies**.

No-change accounting

Our **unit rate** will allow for changes in membership and cover during the **policy** year. This means we don't need to adjust the premiums at the end of the **policy** year for changes that are in line with the agreed eligibility conditions and benefit basis.

Exact-cost accounting (also known as single premium or current cost basis)

Exact cost means we'll adjust the premiums at the end of each **policy** year for the exact time and amount of cover we provide for each **member**. We'll charge an extra premium or pay you a refund at the beginning of the next **policy** year.

4.3 If you or we cancel the policy mid year, will we lose any premiums we have paid in advance?

No. We'll work out a final account for the cover we've provided up to the **policy's** cancellation date. We will either send you a refund or you will immediately have to pay us any premiums you owe.

If you cancel an **excepted group life policy** but other **policies** sharing the same account continue, we'll confirm how we'll adjust your ongoing account as part of the terms for the cancellation.

Mastertrust

A **scheme** we've set up so that Group Life Assurance customers can apply to join if they don't want to set up or run their own **scheme**. We have two Mastertrusts:

- Our **Group Life Assurance Mastertrust**, which is a scheme that we've set up and **registered** with HMRC.
- Our **Relevant Life Mastertrust**, which is a **scheme** we've set up for **excepted group life policy** benefits.

Medical underwriting

The process insurers use to assess the health and pastimes of an employee. At the end of the process **special terms** may be applied to the cover.

Member

Employees included in the **scheme** in accordance with the eligibility terms.

Non-registered scheme

A **scheme** that hasn't been registered with HMRC.Our **excepted group life policy** is an example of a non-registered scheme.

Policy

The legal contract between you and us. You choose how much of the benefits you've promised to the **members** that you want to insure under the policy.

Registered/Registration

Group life assurance schemes can be registered with HMRC as an occupational pension scheme under the Finance Act 2004.

Relevant Life Mastertrust

The Legal & General Relevant Life Mastertrust scheme we've set up to distribute lump sum cover paid from a relevant life policy insuring one person or an **excepted group life policy**.

Scheme

The scheme you have set up to pay the benefits promised under the scheme to your employees.

Scheme administrator

A person that takes responsibility for the day to day running of the **scheme** including **registering** the **scheme** with HMRC.

Scheme earnings

The earnings we use to work out a **member's** benefit.

Special terms

Terms for cover that we cannot accept at ordinary rates. This will include **extra premium loadings**, exclusions, restrictions, postponements or where cover has been declined.

State pension age

The later of reaching age 65 years, and the age at which an eligible employee begins to receive their state pension from the Government.

Total benefit

The total benefit for all **members**.

Trust

A document the **trustees** use to pass on the benefits paid by the **policy**.

Trustee

This is a person, firm or group, appointed to carry out what the **trust** must do. For example, make a claim under the **policy** and pass on the benefits. They must follow the laws that apply to **trusts**.

Unit rate

This is how we work out the cost of a **policy**. We'll work out the cost for each £100 of cover and multiply this with the **total benefit** for the **policy**. We'll tell you the unit rate in our quote.

Contact details

Group protection principal office Questions and complaints	Financial ombudsman service	Financial services compensation scheme
Managing Director, Group Protection Legal & General Assurance Society Limited Knox Court 10 Fitzalan Place Cardiff CF24 0TL	If we can't resolve a complaint you may be able to refer it to: Financial Ombudsman Service Exchange Tower London E14 9SR	PO Box 300 Mitcheldean GL17 1DY
0345 026 0094 We may record and monitor calls. Call charges will vary. Lines are open from 9am to 5pm Monday to Friday.	**0800 023 4567** or **0300 1239 123** (free for mobile phone user paying a monthly charge for calling phone numbers beginning with 01 or 02).	**020 7741 4100** or **0800 678 1100**
group.protection@landg.com	complaint.info@financial-ombudsman.org.uk	enquiries@fscs.org.uk
legalandgeneral.com/employer/group-protection	**financial-ombudsman.org.uk**	**fscs.org.uk**

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Registered in England and Wales No. 166055
Registered office: One Coleman Street, London EC2R 5AA

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W8849 04/23

Terms vintage 12/2022