

IMPORTANT NOTICE

The financial services industry regulator, the Financial Services Authority, has given guidance that their rules require that all clients are informed of the total potential premiums likely to be paid over the duration of a pure protection policy. LV= protection quotations do not currently include this figure however we ask you to be aware of the following.

Level premium policies

The total potential premiums payable is a straightforward multiplication of the premium, frequency and term:
Premium x number of premiums a year x number of years = Total amount of premiums over the policy's duration
for example: £20 per month over a 20 year term would be: £20 x 12 x 20 = £4,800

Index linked policies

For index linked policies please be aware of the following:

Your illustration has been based on premiums and benefits which will be index linked. Therefore it is not possible to provide you with the precise details of the total potential premiums payable. However, the increases in your premiums will be based on the following:

- On each anniversary of the plan commencement date shown in the overall plan schedule the amount of the benefit covered by the policy will be increased. The benefit will go up in line with the increase in the General Index of Retail Prices (RPI) for the twelve month period ending three months earlier.

The only exception to this is where you have taken out the policy less than 3 months before the overall plan anniversary. In such cases the first index linked increase will apply at the next plan anniversary.

- You will be advised if it at any time we decide to use a replacement index because the General Index of Retail Prices is not available. Your Premium will go up in proportion to the increase in benefit. Details of month by month RPI figures can be obtained from the office of National Statistics at www.statistics.gov.uk

Reviewable premiums

For reviewable premiums please be aware of the following:

Your illustration has been based on reviewable premiums. It is not therefore possible to provide you with the precise details of the total amount of premiums you will have to pay to maintain cover throughout the chosen term of your policy. However, the basis for reviewing your policy will be as follows.

- We have calculated the premium on the attached illustration on the basis of assumptions which cover the whole period of the plan. We will undertake a review after 5 years and then at any time after that, at our discretion. However if your premium is changed as a result of a review, we will not change it again for at least 12 months. The factors that we will take into account when undertaking a review can be found in the Policy Summary or Key Features Document. At a review, your premiums may increase, reduce or stay the same. The premium after the review could then be higher than a guaranteed premium would have been.
- If our view of these assumptions at the time of the review differs from the view we took of them at the outset (in the case of a first review) or at the last review, we may increase or reduce your premium based on that difference. There is no limit to the amount that your premium might increase or reduce, but the method used to calculate any increase or reduction in your premium will be applied in a fair and reasonable way.

