

# THE LIVERPOOL VICTORIA MAX

## Policy Conditions

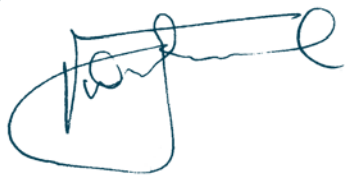


**LIVERPOOL VICTORIA**

Liverpool Victoria Friendly Society Limited agrees to be bound by the terms and conditions of the Policy or Policies contained in these documents.

1. These documents consist of these Conditions and one or more Schedules. Each Schedule, with these Conditions, together constitute a Policy. The Conditions are divided according to various types of policy and benefit, and the Conditions relating to a particular policy are referred to in the Schedule. Any endorsements issued, either at the outset or subsequently, form a part of the Policy.
2. In consideration of the payment of the Premiums, Liverpool Victoria Friendly Society Limited shall pay to the Person Assured (or to such other person or body as described in the Conditions) the benefits described in this Policy when they become payable subject always to these Conditions.

Secretary



Signed on behalf of Liverpool Victoria Friendly Society Limited on the Issue Date shown in the Schedule.

**A policy is an important document and should therefore, be kept in a safe place.**

We are able to provide literature and communications in the following alternative formats:- • braille • large print • audio tape. Should you require this document in any of these formats, please contact us.

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# 1 DEFINITIONS

## 1.1 Wherever used in this Policy

The **“Act”** means the Income and Corporation Taxes Act 1988.

**“Allocation Amount”** means the Premium multiplied by the Allocation Percentage.

**“Allocation Percentage”** means the amount shown in the Schedule.

**“Charge Amount”** means the amount determined in accordance with Condition 8.2.

**“Disability”** means that the Life Assured is suffering from an advanced or rapidly progressing illness, where in the opinion of an attending Consultant and our Chief Medical Officer, the life expectancy is no greater than 12 months or the remaining term of the Policy if this is less.

**“Fund”** means our Life Fund. All the assets of the Fund remain in our absolute beneficial ownership.

**“Incapacity (or Incapacitated)”** means that because of sickness or illness the Life Assured is totally unable to carry out the essential duties of his normal occupation at the time he or she becomes Incapacitated and is not doing any work. Essential duties are those duties which cannot reasonably be omitted without affecting the Life Assured’s ability to carry out his normal occupation. If the Life Assured is unemployed at the start of a period of incapacity, then by incapacity we mean that because of sickness or accident he is unable to go out of doors without help.

**“Our offices”** means our offices at the address shown in these Conditions, or such other address as we shall notify in future.

**“Premium”** means the Premium Payment shown in the Schedule.

**“Plan Fee”** means an amount initially determined at the outset of the Policy. The Plan Fee will be adjusted regularly by us, in accordance with changes in the Retail Prices Index.

**“Price”** means the Price of the Units in the Fund.

**“Qualifying Policy”** means a policy qualifying within the meaning of Schedule 15 to the Act.

**“Schedule”** means the Schedule issued as part of this Policy.

**“Sum at Risk”** means the excess (if any) of the Guaranteed Minimum Death Benefit over the value of the Units allocated to the Policy.

**“Unit”** means a proportion of the Fund as determined by us.

**“Valuation Day”** means any day on which the Price of the Units in the Fund is calculated which shall be at least once each calendar month.

**“We”, “us” or “our”** means Liverpool Victoria Friendly Society Limited.

**“You” or “your”** means the Person Assured shown in the Schedule.

**1.2** Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing the masculine include the feminine.

**1.3** References to any Act of Parliament include any statutory amendment or re-enactment of that Act for the time being in force and any statutory regulations made thereunder.

# 2 THE CONTRACT

**2.1** This Policy, including the Schedule and any endorsements issued for inclusion in the Policy, the application for this Policy and any declaration given in connection with the issue of this Policy, shall constitute the entire contract between you and us.

**2.2** This Policy cannot be altered except by endorsement in writing over the signature of a person authorised by us.

**2.3** Any Premium, request, notice or proof required under this Policy must be delivered in writing to our offices, or by such other means as may be agreed between you and us. Any such Premium, request, notice or proof received after 10 am on any day may be deemed to have been received on the next working day.

**2.4** Any benefits payable under the Policy will be payable to you or your executors, administrators or assignees unless otherwise stated in the Policy.

**2.5** This Policy is not made in the course of tax-exempt life and endowment business for the purpose of Chapter II, Part XII of the Act.

**2.6** This Policy will be construed and governed in accordance with the laws of England and Wales.

# 3 CURRENCY

**3.1** Every payment by or to us under this Policy shall be payable in the lawful currency of the United Kingdom at or to our offices, or by such other means as may be agreed between you and us.

# 4 ASSIGNMENT

**4.1** We assume no responsibility as to the validity, effect, or efficiency of any assignment, and we are not charged with notice of any assignment or any other matter until notice has been received by us in accordance with Condition 2.3.

# 5 PROOF REQUIRED

**5.1** Before becoming liable to pay any benefits under this Policy we shall be entitled to all such information and evidence as may be specified in this Policy or as we may reasonably require with regard to the happening of any event affecting or relating to this Policy.

In particular, proof satisfactory to us must be furnished at our offices of:

- a) the date of birth of the Life Assured as stated in the Schedule,
- b) the death of the Life Assured,
- c) where a claim is being made for Disability Benefit (Condition 9.2), such evidence of eligibility as we may require,
- d) the title of the person making the claim.

**5.2** We will admit the date of birth of the Life Assured upon receipt of proof of age satisfactory to us.

## 6 MIS-STATEMENT OF DATE OF BIRTH

- 6.1** If a date of birth is found to differ from that stated in the application, any amount payable or benefit available under this Policy may be adjusted to reflect the correct date of birth.

## 7 PREMIUMS

### 7.1 Payment of Premiums

The Premiums are payable in accordance with the Schedule and in a manner satisfactory to us.

### 7.2 Cessation of Premiums

**7.2.1** Thirty days of grace are allowed from the due date for the payment of Premiums other than the first Premium. Should a Premium not be paid within the days of grace then, unless we waive this Condition by extending the period of grace to not more than 13 months, Premiums shall be deemed to have ceased as at the due date of the first unpaid Premium and the following shall have effect:

- a) The Policy shall be made paid-up provided there are Units allocated to the Policy. If there are no Units then allocated, or if the number of Units allocated to the Policy subsequently reduces to nil, the Policy shall lapse and no payment shall be made from the Policy.
- b) No further Premiums shall become payable.
- c) The Guaranteed Minimum Death Benefit shall reduce to nil. Condition 8.2 shall continue to apply.

**7.2.2** Premiums shall cease with the last payment due before the earliest of the Maturity Date, the date of death of the Life Assured (or, if appropriate the second of the lives assured to die) or an eligible claim for payment of Disability Benefit.

**7.2.3** If a Premium is paid after Premiums have ceased in accordance with Condition 7.2.1, that Premium will be returned unless we agree in writing to reinstate the Policy in accordance with Condition 7.4.

### 7.3 Surrender Value

**7.3.1** The policy may be surrendered for a cash sum on cessation of Premiums where it would not otherwise lapse under Condition 7.2.1. The cash sum payable is calculated as the number of the Units remaining allocated to the Policy after reduction to meet any outstanding Charge Amount, multiplied by the Price. The Price to be used is that calculated on the Valuation Day coinciding with or immediately preceding the day on which we receive a valid discharge of the Policy and proof of title in accordance with Condition 5.

**7.3.2** We reserve the right to reduce the Price of Units on surrender of the Policy.

### 7.4 Reinstatement

**7.4.1** If the Policy has lapsed, or been made paid-up by us, it may only be reinstated subject to payment of all arrears of Premium, and to production of satisfactory evidence of the insurability of the Life Assured.

**7.4.2** The policy will not be reinstated more than 13 months after the due date of the first unpaid Premium, or if the Policy has previously been surrendered.

## 8 UNIT ALLOCATION

### 8.1 Calculation of Units

**8.1.1** The number of Units to be allocated will be calculated by dividing the appropriate Allocation Amount by the Price on the relevant Valuation Day, rounded to the nearest 1/1000th of a Unit.

**8.1.2** In respect of each Premium paid, the relevant Valuation Day will be the one coinciding with or immediately preceding the date on which it is due under the terms of this Policy. Where arrears of Premium are paid, the relevant Valuation Day will be the one coinciding with or immediately preceding the date on which the arrears are received by us.

### 8.2 Charges

**8.2.1** Each month Units will be cancelled to meet the Charge Amount. Cancellation will take place on the Start Date and on the corresponding day of each subsequent month. The number of Units to be cancelled will be such that the value of the Units cancelled will equal the Charge Amount then outstanding.

**8.2.2** If the Charge Amount exceeds the value of the Units allocated to the Policy, the excess will be carried forward to the next following month.

**8.2.3** The monthly Charge Amount will be the aggregate of:

- a) on the first calculation, the Initial Charge if shown in the Schedule
- b) a monthly management charge of 0.0265% of the value of the Units in force at the date of calculation. This charge will only apply if an initial charge is not shown in the Schedule
- c) a Plan Fee for the month
- d) the amount which will be required according to mortality charges determined by us from time to time to provide the Sum at Risk for the ensuing month.
- e) if applicable, the amount which will be required according to morbidity charges determined by us from time to time to provide the Waiver of Premium Benefit then in force. The last morbidity charge date is the charging date which ends within 6 months of the earlier of the maturity date and the 65th birthday of the life defined in the Schedule.
- f) any Charge Amount carried forward from the previous month.

## 9 BENEFITS

### 9.1 Death Benefit

**9.1.1** If the Life Assured (or, if appropriate the second of the Lives Assured to die) dies while the Policy is in full force prior to the Maturity Date, we will pay the greater of:

- a) the Guaranteed Minimum Death Benefit in force on the date of death, and
- b) the value of the Units remaining allocated to the Policy on the date of death, after reduction to meet any outstanding Charge Amount.

The Price to be used is that calculated on the Valuation Day coinciding with or immediately preceding the date of notification of death.

### 9.2 Disability Benefit

**9.2.1** For an eligible claim under this Condition 9.2 a diagnosis of Disability is required in respect of:

- a) the Life Assured for a single life plan
- b) either life for a joint life, first death plan
- c) only the surviving life for a joint life, second death plan, where one Life Assured has already died.

**9.2.2** If an eligible claim is made for Disability Benefit while the plan is in full force prior to the Maturity Date, we will pay the greater of:

- a) the Guaranteed Minimum Death Benefit in force on the date we receive confirmation that the Life Assured meets the condition for payment, and
- b) the value of the Units remaining allocated to the Policy, after reduction to meet any outstanding Charge Amount. The Price to be used is that calculated on the Valuation Day coinciding with or immediately preceding the date we receive confirmation that the Life Assured meets the condition for payment.

### 9.3 Waiver of Premium Benefit

**9.3.1** This Condition 9.3 applies only if Waiver of Premium Benefit is shown in the Schedule to be included in the Policy. Where there are two Lives Assured, it will be defined in the Schedule which Life Assured is entitled to the Waiver of Premium Benefit and for the purpose of this Condition 9.3 Life Assured refers to the person defined in the Schedule.

**9.3.2** Subject to Conditions 9.3.5 (Geographical limits) and 9.3.7 (Termination),

- a) if the Life Assured becomes Incapacitated prior to the earlier of the Maturity Date and the Life Assured's 65th birthday and
- b) this is for a continuous period of 26 weeks and
- c) he does not undertake any other occupation, we will waive the Premiums under the Policy.

**9.3.3** Payment of the benefit will commence 26 weeks after the incidence of the Incapacity, provided supporting evidence satisfactory to us has been supplied. If notification is not received within two months of the start of the Incapacity we will treat the Life Assured's Incapacity as if it had started two months before we receive the notification. Premiums will continue to be waived until the earliest of:

- a) the Life Assured's 65th birthday,
- b) the Maturity Date,
- c) an eligible Disability Claim,
- d) the Life Assured's death, or
- e) the Life Assured's recovery.

Where Premiums are payable yearly, the Society reserves the right, upon commencement of the payment of the benefit, to alter the frequency of payment to monthly.

**9.3.4** Before we can consider a claim the Life Assured must fill in a claim form about his or her sickness or accident. We will also need a medical certificate completed by the doctor who is responsible for the Life Assured's care.

During a claim we may ask for further declarations from the Life Assured about his or her incapacity and further medical certificates from the Life Assured's doctor.

In each case we will tell the Person Assured our requirements and supply the forms for the Life Assured and his or her doctor to fill in.

We also reserve the right to require the Life Assured to be examined by a doctor of our choice and to ask for any other reasonable evidence we need to consider the claim or to confirm that the Life Assured remains incapacitated. Some examples of the evidence we may need are:

- a) a report from the Life Assured's own doctor or any other doctor who has treated or examined him or her
- b) a report from a member of our staff, or a person acting on our behalf, who has visited the Life Assured at his or her own home to discuss the claim.

We will pay the cost of all reports or evidence we ask for except the cost of obtaining medical certificates from the Life Assured's own doctor.

We reserve the right not to pay a claim, or to terminate a claim, if any evidence we ask for is not provided.

### 9.3.5 Geographical limits

We cover the Life Assured should he suffer incapacity anywhere in the world. However, the waiver period will only apply for periods of incapacity while the life assured is in one of the following countries:

Australia, Canada, Channel Islands, Cyprus, Gibraltar, Iceland, Isle of Man, Malta, New Zealand, Norway, Switzerland, United States of America, or any country which is a member of the European Union.

### 9.3.6 Periods of Incapacity which are connected

If, once premiums are waived under Condition 9.3 the Life Assured goes back to work in his or her normal occupation but then has to stop work again within the next 26 weeks, we will treat the further period of Incapacity as the same claim provided that:

- a) the Life Assured does not go back to work against the advice of his or her doctor
- b) the Life Assured is incapacitated from the same cause as the original claim
- c) the Life Assured is still working in the same occupation at the time the further period of incapacity starts
- d) the Person Assured tells us within two weeks of the date the Life Assured stops work again.

In these circumstances we will start the waiver period straight away and the deferred period will not apply.

### 9.3.7 Termination

The cover provided by the Waiver of Premium Benefit will cease on the earliest of:

- a) the date the Life Assured attains the age of 65
- b) the death of the Life Assured
- c) an eligible claim for Disability Benefit
- d) the Maturity Date
- e) the date the Policy lapses in accordance with Condition 7.2.

## 9.4 Maturity Benefit

- 9.4.1** Provided that the death or disability benefit have not previously become payable, the value of the Units allocated to the Policy will become payable on the Maturity Date. The Price to be used is that calculated on the Valuation Day coinciding with or immediately preceding the Maturity Date.

## 10 EXTENSION OPTION

- 10.1** The exercise of any extension option must be compatible with the requirements of the Act for a Qualifying Policy.

- 10.2** At any time provided

- a) the Policy remains in full force,
- b) the Waiver of Premium Benefit is shown in the Schedule to be included the Life Assured to which the benefit applies is not Incapacitated.

You may elect that the term of the Policy be extended, and the Maturity Date will be revised accordingly.

- 10.3** The revised Maturity Date following the exercise of the extension option will be ten years from the anniversary of the Start Date following the date of election.