

Combined Life & Critical Illness Policy Conditions – Reviewable Premiums

Document reference: MIMICI12LR

This is an important document. Please keep it in a safe place.

LV= Combined Life & Critical Illness Reviewable Premiums

Policy Conditions

Welcome to LV=, and thank you for choosing our Combined Life & Critical Illness policy.

Welcome to LV= and thank you for choosing our Combined Life & Critical Illness Policy, which is one of a number of different types of life and health insurance policies available in our Flexible Protection Plan.

These conditions and your Plan and Policy Schedules, application, any declarations you have made, and any documents we send you confirming changes to your policy and the amount of your cover, form a contract between you and us.

These are important documents, so please keep them in a safe place.

This contract is signed on our behalf and starts on the date shown in your Policy Schedule.



Chief Executive
LV=, Pynes Hill House, Rydon Lane, Exeter EX2 5SP

**If we can help you, by providing these documents in Braille,
in large print or on audiotape, please let us know.**

Our illness and medical conditions definitions meet the ABI Statement of Best Practice for Critical Illness cover (April 2006). If you'd like a copy please let us know.

Contents

Definitions	4
Why choose LV= Combined Life & Critical Illness?	5
Section A – Your Combined Life & Critical Illness policy	6
A1 – What you're covered for	6
A1(a) All critical illnesses including Permanent Total Disability	7
A1(b) All critical illnesses excluding Permanent Total Disability	9
A1(c) Permanent Total Disability only	12
A2 – What are the types of cover available?	13
A2(a) Level amount of cover	13
A2(b) Inflation-linked amount of cover	14
A2(c) Decreasing amount of cover	15
A3 – Children's Cover	18
A4 – How to make a claim if the person insured has died	20
A5 – When you need to tell us about your Critical Illness	20
A6 – What you need to do to make a Critical Illness claim	21
A7 – Who we will pay the claim to	22
A8 – What happens when a Critical Illness claim has been paid, and you have extra life cover	22
A9 – What if you're insuring someone else	22
A10 – What if there's more than one person insured on the policy	23
Section B – Options to change your policy	24
B1 – Guaranteed Increase Options	24
B2 – Buy back life cover option	28
B3 – Other ways to change the amount of your cover	29
Section C – Other conditions	30
C1 – Paying your premiums	30
C2 – Stopping your premiums	30
C3 – Re-starting your premiums	30
C4 – When we can change your premium (Reviewable Premiums)	31
C5 – Proof of your age and name	32
C6 – When you can cancel your policy	32
C7 – When we can cancel your policy	32
C8 – When your policy ends	33
C9 – Arranging for the amount of cover to be paid to a specific person	34
C10 – The law that applies to your policy	34
Appendix – The list of Critical Illnesses	35

Definitions

We explain these terms because this is a legal document. In some cases the words may have other meanings in everyday use. We have highlighted these words in bold italics (other than personal terms such as 'you' and 'we') so you know when they apply.

'**You**' means the person who applied for this **policy**, the person who is insured and the person legally entitled to the payment from it. Where we use '**your**' it has the same meaning.

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

'**Child**' or '**children**' means all of your natural children, stepchildren and legally adopted children.

'**Critical illness**' and '**critical illnesses**' mean the illnesses, medical conditions or operations detailed in the Appendix. Your Policy Schedule explains which of these you are covered for.

'**Amount of your cover**' and '**amount of cover**' mean the amount you are insured for (shown on your Policy Schedule). This includes any inflation-linked increases. If you have applied for a decreasing amount of cover, then your **amount of cover** goes down each year. This is explained in more detail in Section A2(c). You can choose different amounts of critical illness cover and life cover.

'**End date**' means the date when your **policy** ends. This date is shown in your Policy Schedule.

'**Inflation**' means the rising cost of goods and services such as your weekly shopping, gas and electricity. We will measure this using the Retail Prices Index, unless this stops being published, in which case we would use another similar published index.

'**Plan**' means your LV= Flexible Protection Plan, your Plan Schedule, and any policies (including this **policy**) which are included in it.

'**Plan anniversary**' means each 12-month anniversary from the date your **plan** originally started. This will be the same as the 12-month anniversary of your **policy** unless you have added a new policy to an existing **plan**. You can check this on your Plan Schedule.

'**Policy**' means these conditions, your Policy Schedule, any Special Provisions listed in your policy schedule and any documents we send you to confirm changes to your policy or to the **amount of your cover**. We will apply a Special Provision when we are not able to offer you a **policy** based on the terms detailed in these conditions. This may be because of your occupation, your health and medical history, or your leisure activities. We will let you know if this applies to you before we start asking you for any money.

'**Premium**' and '**premiums**' mean the monthly amount you pay for the **amount of your cover**.

'**Start date**' means the date when your **policy** started. This date is shown in your Policy Schedule.

Why choose LV= Combined Life & Critical Illness?

This **policy** is designed to pay out a cash sum if you die before the end date of your policy, or, if earlier, you are diagnosed with a **critical illness** which is covered under this **policy**. The diagnosis or operation must occur between the **start date** and the **end date** of your **policy**. If you are diagnosed with a **critical illness**, we will pay a claim, provided you live for at least 14 days or more, after the diagnosis, or undergoing the operation.

If we pay out the cash sum before the **end date**, the **policy** will normally end. This is unless you choose to have more life cover than critical illness cover. If you choose to do this, and we have paid a critical illness claim, you will continue to be covered for the amount of extra life cover you have chosen.

We've included a list of all the illnesses, medical conditions and operations covered in Section A1, and more detailed information including an explanation of when we will pay out for each one is detailed in the Appendix at the back of these Policy Conditions.

Choosing the critical illnesses to be covered for

When you apply you can choose from the following options. The option you choose will be shown on your personal quote if you haven't yet taken out a **policy**, and once your **policy** has started you will find this on your Policy Schedule.

You can choose to be covered for:

All of the **critical illnesses** including Permanent Total Disability

or

All of the **critical illnesses** excluding Permanent Total Disability

or

Permanent Total Disability only

More details can be found in Section A1.

Choosing the type of cover

You can also choose whether you want the **amount of your cover** to stay the same, increase, or decrease, during the term of your **policy**. This will be shown on your personal quote if you haven't yet taken out a **policy**, and once your **policy** has started you will find this on your Policy Schedule.

You can choose:

- **Level cover**

This means the **amount of your cover**, is fixed when your **policy** starts, and doesn't change. We aim for the **premium** you pay to stay the same, but it may be changed. More information on when we can change your **premium** can be found in Section C4.

- **Inflation-linked cover**

This means that the **amount of your cover** and the **premium** you pay will go up each year in line with **inflation**. This may be shown on your personal quote as Increasing amount of cover, or Index-Linked amount of cover. We aim for the **premium** you pay to only be changed in line with **inflation** each year, but it may be changed at other times. More information on when we can change your **premium** can be found in Section C4.

- **Decreasing cover**

This type of cover is specially designed to cover the reducing amount that you owe on a capital and interest repayment mortgage. The **amount of your cover** will go down each year. We aim for the **premium** you pay to stay the same, but it may be changed. More information on when we can change your **premium** can be found in Section C4.

These choices are explained in more detail in section A2

Buyback life cover option

This option can only be included in your **policy** if there is one person insured. If there are two people insured then this option is not available. In return for paying an additional **premium**, you will be able to take out a new Life Protection policy, one year after we have paid a claim for critical illness cover, without having to supply additional medical information at that time. You have to choose to include this option when you apply for your Combined Life & Critical Illness **policy**, it can't be added at a later date. More details on this can be found in Section B2.

Section A – Your Combined Life & Critical Illness policy

This section tells you about:

- What you're covered for
- The types of cover available
- When we will pay the **amount of cover**
- How much we will pay
- Who the money will go to

A1 What you're covered for

There are three different options available. You will find which of the following you are covered for on your Policy Schedule. More detailed information can be found in the Appendix. In some cases we may not be able to cover you for all of the illnesses or operations listed in each section. If this happens, this will be noted on your Policy Schedule under the heading of Special Provisions.



On the following pages we explain the different options available in more detail, and explain what you're covered for, and what you're not covered for.

You only need to read the section that applies to the cover shown on your Policy Schedule.

So, if your Policy Schedule shows that you are covered for all **critical illnesses** including Permanent Total Disability, you only need to read Section A1 (a). If it shows that you are covered for all **critical illnesses** excluding Permanent Total Disability read Section A1(b). If it shows you are covered for Permanent Total Disability only, read Section A1(c).

A1 (a) All critical illnesses including Permanent Total Disability



What's covered

■ Death or diagnosis of a critical illness

We will pay the **amount of your cover** if you die or, if earlier you are diagnosed with one of the **critical illnesses** listed below between the **start date** and the **end date** of your **policy**. Once we have paid a claim on this **policy** (unless this is for Children's cover which is explained in Section A3), it will normally end.

There is an exception. If when your **policy** started you chose to have more life cover than critical illness cover, and we have paid a critical illness claim, you will continue to be covered for the amount of extra life cover you have chosen. Your **policy** will continue, and if you die before the **end date** of your **policy** we will pay the amount of extra life cover. This is shown as 'amount of extra life cover' on your Policy Schedule.

■ You're covered for the following critical illnesses:

1. Alzheimer's disease (including pre-senile and senile dementia) – resulting in permanent symptoms
2. Aorta graft surgery – for disease or traumatic injury
3. Aplastic anaemia – complete
4. Bacterial meningitis – resulting in permanent symptoms
5. Benign brain tumour – resulting in permanent symptoms
6. Blindness – permanent and irreversible
7. Cancer – excluding less advanced cases
8. Cardiomyopathy
9. Coma – resulting in permanent symptoms
10. Coronary artery by-pass grafts – with surgery to divide the breastbone
11. Creutzfeldt-Jakob disease – resulting in permanent symptoms
12. Deafness – permanent and irreversible
13. Heart attack – of specified severity
14. Heart valve replacement or repair – with surgery to divide the breastbone
15. HIV infection – caught in the UK or EU from a blood transfusion, a physical assault or at work.
16. Kidney failure – requiring dialysis
17. Liver failure
18. Loss of independent existence
19. Loss of hands or feet – permanent physical severance
20. Loss of speech – permanent and irreversible

A1 (a) All critical illnesses including Permanent Total Disability continued...

21. Major organ transplant
22. Motor neurone disease – resulting in permanent symptoms
23. Multiple sclerosis – with persisting symptoms
24. Paralysis of limbs – total and irreversible
25. Parkinson's disease – resulting in permanent symptoms
26. Progressive Supranuclear Palsy
27. Severe lung disease
28. Stroke – resulting in permanent symptoms
29. Terminal illness
30. Third degree burns – covering 20% of the body's surface area or affecting 50% of the area of the face or head.
31. Traumatic head injury – resulting in permanent symptoms
32. Permanent Total Disability

To help you understand what these **critical illnesses** cover, please refer to the explanation in the Appendix at the back of this document.

■ **All causes of death**

We will pay out whatever the cause of death.

■ **Illness or medical condition that you had before you applied**

As we ask you for all your medical history before we offer you the **policy**, you are covered for all the **critical illnesses** listed above unless we have told you that you're not before your **policy** starts. We will list any exclusions on your Policy Schedule under the heading of Special Provisions.

We will tell you about any exclusions before we ask you for the first **premium**.

■ **Travelling abroad**

You're covered if you die anywhere in the world.

If you are diagnosed with one of the **critical illnesses** listed above we will pay your claim provided the diagnosis has been confirmed by a doctor who practices in one of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK or USA.

If you are diagnosed in a country not listed above, you will need to go to one of the countries listed, so that you can have that diagnosis confirmed, or to have the operation.



What's not covered

■ All types of illness

You are only covered for the **critical illnesses** listed in the 'What's covered' section. If you are diagnosed with any other illness, medical condition or have an operation that is not listed, then we will not pay a claim under this **policy**. Also, if your illness, medical condition or operation does not meet our definition of one of the **critical illnesses** we cover, then we will not pay a claim. For example some types of cancer are not covered.

■ If you die within 14 days of your critical illness being diagnosed, or having the operation.

If you die within 14 days of being diagnosed with one of the **critical illnesses** or having the operation, then we will not pay a critical illness claim under this **policy**. However if this is before the **end date** of your **policy**, we will pay a death claim.

If you die after the **end date** of your **policy** then we won't pay a claim.

■ Fraud and Deliberate non-disclosure

Please understand that whilst we know that the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraud.

For this reason we will cancel the **policy** and not pay a claim if we find someone has deliberately withheld information from us or has intentionally provided us with false information or lied to us, when they applied or when they claim, or when they apply to re-start their **premiums** (See Section C3). More detailed information on when we can cancel the **policy** can be found in Section C7.



A1(b) All critical illnesses excluding Permanent Total Disability

What's covered

■ Death or diagnosis of a critical illness

We will pay the **amount of your cover** if you die or, if earlier you are diagnosed with one of the **critical illnesses** listed below between the **start date** and the **end date** of your **policy**. Once we have paid a claim on this **policy** (unless this is for Children's cover which is explained in Section A3), it will normally end.

There is an exception. If when your **policy** started you chose to have more life cover than critical illness cover, and we have paid a critical illness claim, you will continue to be covered for the amount of extra life cover you have chosen. Your **policy** will continue, and if you die before the **end date** of your **policy** we will pay the amount of extra life cover. You will see this amount as 'amount of extra life cover' on your Policy Schedule.

A1 (b) All critical illnesses excluding Permanent Total Disability continued...

■ You're covered for the following critical sicknesses:

1. Alzheimer's disease (including pre-senile and senile dementia) – resulting in permanent symptoms
2. Aorta graft surgery – for disease or traumatic injury
3. Aplastic anaemia – complete
4. Bacterial meningitis – resulting in permanent symptoms
5. Benign brain tumour – resulting in permanent symptoms
6. Blindness – permanent and irreversible
7. Cancer – excluding less advanced cases
8. Cardiomyopathy
9. Coma – resulting in permanent symptoms
10. Coronary artery by-pass grafts – with surgery to divide the breastbone
11. Creutzfeldt-Jakob disease – resulting in permanent symptoms
12. Deafness – permanent and irreversible
13. Heart attack – of specified severity
14. Heart valve replacement or repair – with surgery to divide the breastbone
15. HIV infection – caught in the UK or EU from a blood transfusion, a physical assault or at work.
16. Kidney failure – requiring dialysis
17. Liver failure
18. Loss of independent existence
19. Loss of hands or feet – permanent physical severance
20. Loss of speech – permanent and irreversible
21. Major organ transplant
22. Motor neurone disease – resulting in permanent symptoms
23. Multiple sclerosis – with persisting symptoms
24. Paralysis of limbs – total and irreversible
25. Parkinson's disease – resulting in permanent symptoms
26. Progressive Supranuclear Palsy
27. Severe lung disease
28. Stroke – resulting in permanent symptoms
29. Terminal Illness
30. Third degree burns – covering 20% of the body's surface area or affecting 50% of the area of the face or head.
31. Traumatic head injury – resulting in permanent symptoms

To help you understand what these **critical illnesses** cover, please refer to the explanation in the Appendix at the back of this document.

■ All causes of death

We will pay out whatever the cause of death.

■ Illness or medical condition that you had before you applied

As we ask you for all your medical history before we offer you the **policy**, you are covered for all the **critical illnesses** listed above unless we have told you that you're not before your **policy** starts. We will list any exclusions on your Policy Schedule under the heading of Special Provisions.

We will tell you about any exclusions before we ask you for the first **premium**.

What's covered (continued)

■ Travelling abroad

You're covered if you die anywhere in the world.

If you are diagnosed with one of the **critical illnesses** listed above we will pay your claim provided the diagnosis has been confirmed by a doctor who practices in one of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK or USA.

If you are diagnosed in a country not listed above, you will need to go to one of the countries listed, so that you can have that diagnosis confirmed, or to have the operation.



What's not covered

■ All types of illness

You are only covered for the **critical illnesses** listed in the 'What's covered' section. If you are diagnosed with any other illness, medical condition, or have an operation that is not listed, then we will not pay a claim under this **policy**. Also, if your illness, medical condition or operation does not meet our definition of one of the **critical illnesses** we cover, then we will not pay a claim. For example some types of cancer are not covered.

■ If you die within 14 days of your critical illness being diagnosed, or having the operation.

If you die within 14 days of being diagnosed with one of the **critical illnesses** or having the operation, then we will not pay a critical illness claim under this **policy**. However if this is before the **end date** of your **policy**, we will pay a death claim.

If you die after the **end date** of your **policy** then we won't pay a claim.

■ Fraud and Deliberate non-disclosure

Please understand that whilst we know that the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraud.

For this reason we will cancel the **policy** and not pay a claim if we find someone has deliberately withheld information from us or has intentionally provided us with false information or lied to us, when they applied or when they claim, or when they apply to re-start their **premiums** (See Section C3). More detailed information on when we can cancel the **policy** can be found in Section C7.

A1 (c) Permanent Total Disability only



What's covered

■ Death or diagnosis of a critical illness

We will pay the **amount of your cover** if you die or, if earlier you are diagnosed with the **critical illness** listed below between the **start date** and the **end date** of your **policy**. Once we have paid a claim on this **policy** (unless this is for Children's cover which is explained in Section A3), it will normally end.

There is an exception. If when your **policy** started you chose to have more life cover than critical illness cover, and we have paid a critical illness claim, you will continue to be covered for the amount of extra life cover you have chosen. Your **policy** will continue, and if you die before the **end date** of your **policy** we will pay the amount of extra life cover. You will see this amount as 'amount of extra life cover' on your Policy Schedule.

■ You're covered for the following critical illness:

32. Permanent Total Disability

To help you understand what this **critical illness** covers, please refer to the explanation in the Appendix at the back of this document.

■ All causes of death

We will pay out whatever the cause of death.

■ Illness or medical condition that you had before you applied

As we ask you for all your medical history before we offer you the **policy**, you are covered for any cause of Permanent Total Disability unless we have told you that you're not before your **policy** starts. We will list any exclusions on your Policy Schedule under the heading of Special Provisions.

We will tell you about any exclusions before we ask you for the first **premium**.

■ Travelling abroad

You're covered if you die anywhere in the world.

If you are diagnosed with Permanent Total Disability we will pay your claim provided the diagnosis has been confirmed by a doctor who practices in one of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK or USA.

If you are diagnosed in a country not listed above, you will need to go to one of the countries listed, so that you can have that diagnosis confirmed.



What's not covered

■ All types of illness

You are only covered for Permanent Total Disability. If you are diagnosed with any other illness, medical condition, or have any operation, then we will not pay a claim under this **policy**.

■ If you die within 14 days of your critical illness being diagnosed, or having the operation.

If you die within 14 days of being diagnosed with Permanent Total Disability then we will not pay a critical illness claim under this **policy**. If this is before the **end date** of your **policy**, we will pay a death claim.

If you die after the **end date** of your **policy** then we won't pay a claim.

■ Fraud and Deliberate non-disclosure

Please understand that whilst we know that the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraud.

For this reason we will cancel the **policy** and not pay a claim if we find someone has deliberately withheld information from us or has intentionally provided us with false information or lied to us, when they applied or when they claim, or when they apply to re-start their **premiums** (See Section C3). More detailed information on when we can cancel the **policy** can be found in Section C7.

A2 What are the types of cover available?

There are three different types of cover available. You will find which type of cover you have on your Policy Schedule.



You only need to read the section that applies to the type of cover you have.

A2 (a) Level amount of cover

This means that the **amount of your cover** does not change between the **start date** and the **end date** of your **policy**. It won't keep up with **inflation** and you will be able to buy less with it in the future.

We aim for the **premium** you pay to stay the same, but it may be changed. More information on when we can change your **premium** can be found in Section C4.

A2 (b) Inflation-linked amount of cover

This means that the **amount of your cover** increases each year in line with **inflation**. We may also refer to this as index-linked or increasing cover on your personal quote. If you're unsure whether this applies to you, you will find whether or not this is included, on your Policy Schedule.

What inflation-linked means

We will increase the **amount of your cover** on each **plan anniversary**.

Where we apply this increase, the **amount of your cover** and **premium** will both go up in line with **inflation**. This increase will be based on the 12 month period ending three months before your **plan anniversary**. We aim for the **premium** you pay to only be changed in line with **inflation** each year, but it may be changed at other times. More information on when we can change your **premium** can be found in Section C4.

If you have added this **policy** to an existing **plan** and your **plan anniversary** is less than 3 months after the **start date** of this **policy**, the first increase to the **amount of your cover** will be made on the next **plan anniversary**

We will tell you what we will increase the **amount of your cover** to and your new **premium** before we increase them.

Any Special Provisions that apply to your **policy** will also apply to any inflation-linked increases. These Special Provisions will be shown in your Policy Schedule.

You can ask us not to increase the **amount of your cover**. If you don't want us to increase the **amount of your cover**, you must let us know before the **plan anniversary** when the increase is due. We then won't make any further increases to the **amount of your cover** for the rest of the term of your **policy**. This means your cover will change to a level amount of cover (as explained in A2 (a) above) for the rest of the term of your **policy**.

Please note if you ask us not to increase the **amount of your cover**, but later on decide that you want us to start increasing it again, you will need to re-apply for inflation-linked cover. We can't guarantee that we will be able to offer you inflation-linked cover again, as it will depend on your health, occupation and leisure activities and whether we are offering the same type of insurance at that time.

A2 (c) Decreasing amount of cover

You would generally take out this type of cover to provide the money to pay off a capital and interest repayment mortgage in the event of your death, or if earlier being diagnosed with a **critical illness**. The **amount of your cover** goes down each year as explained below. We aim for the **premium** you pay to stay the same, but it may be changed. More information on when we can change your **premium** can be found in Section C4.



Example

In this example we have used approximate figures to try and make it easier to follow. They do not reflect the precise amounts that would be outstanding and payable in this case.

Mark & Sarah took out a capital and interest repayment mortgage for £100,000 over a term of 25 years. Their monthly repayments are £780 a month, and the interest on the amount they borrowed is calculated at the end of each year of their mortgage. When they took out their mortgage, these chose to protect it with a Combined Life & Critical Illness policy, with a decreasing amount of cover.

The amount of cover is £100,000 for a term of 25 years, which is the same as their mortgage. They are both insured on the policy, and they are both policy owners.

10 years after taking out their mortgage and their policy, Sarah is diagnosed with one of the illnesses covered by the policy, and Mark & Sarah make a claim. They complete their claim form, and as the illness that Sarah is diagnosed with is covered by the policy we agree to pay their claim.

The amount remaining on their mortgage at that time is £80,000. They have paid their mortgage each and every month, on time, and there are no arrears outstanding. They have not increased the amount borrowed on their mortgage, and have not made any changes to their policy.

First we calculate the amount that would be outstanding on the mortgage if the interest rate they had been paying was fixed at 12%. This is to work out the maximum amount we would pay out. In this example this is £87,000.

Then we calculate how much would have been outstanding on the same mortgage if they had been paying an interest rate fixed at 7.5%. This is to work out the minimum amount we would pay out. In this example this is £79,000.

Therefore as the amount outstanding on their mortgage is less than £87,000 (the maximum we would pay out) and more than £79,000 (the minimum we would pay out), we would pay out the amount outstanding on their mortgage when Sarah was diagnosed with a critical illness, which was £80,000.

If Mark & Sarah had made any changes to their mortgage since it started, without making any changes to their policy then we would have paid out at least £79,000 as this was the minimum payout.



A2 (c) Decreasing amount of cover continued...

We will pay out the amount of your outstanding mortgage on the date of your death, or if earlier the date you are diagnosed with a **critical illness** and any interest that has built up since that date provided that you still have a mortgage that;

was taken out no later than three months after the **start date** of your **policy** (you will find this on your Policy Schedule),

and

the mortgage is a capital and interest repayment mortgage which is on track to be fully repaid at the end of the term of the mortgage

and

the term of the mortgage was the same as the term of your **policy**,

and

the outstanding mortgage is not more than it would have been had you borrowed the same amount on the **start date** of your **policy** with the same term, and interest rates had been 12% compounded annually.

For the purposes of this section, if you have changed the **amount of your cover**, since the **start date** we treat start date of your **policy** as being the date that you made the changes to the **amount of your cover**. If you have changed the term of your **policy**, this means the **end date** of your **policy** will have changed, so for the purposes of this section, we will use this new **end date**. More details about how you can change the **amount of your cover**, or the term of your **policy** can be found in Section B.

There are some exceptions

We won't pay any mortgage repayment arrears

If, during the term of the mortgage, you have reduced or stopped your repayments for any period (other than as a result of an interest rate reduction), we may reduce the amount we pay out. We will pay the amount that you would have owed if the repayments had not been changed, or had been paid in full and on time.

If the amount of your mortgage was more than the **amount of your cover** at the **start date** of your **policy** we will reduce the amount we will pay out proportionately.



Example

Assume you had a £100,000 mortgage and you insured for £90,000 at the start of the policy. Your cover is 10% less than your mortgage. On your death or on the date you were diagnosed with a critical illness the outstanding mortgage was £80,000. We would pay out £72,000 which is 10% less than the outstanding mortgage.



We must have written confirmation of the mortgage details and the amount outstanding, from your lender, before we pay a claim for decreasing cover.

We realise that it is quite possible that you will have changed your mortgage or even paid all of it off, without having changed or stopped your **policy**. So, as a minimum we will payout the amount that would have been outstanding if you had taken out a capital and interest mortgage, which is repaid by equal monthly payments:

for the same amount as the **amount of your cover**

and

that started on the same date as the **start date**

and

that ends on the same date as the **end date**

and

the interest rate on that mortgage had been 7.5% each year compounded annually

For the purposes of this section, if you have changed the **amount of your cover**, since the **start date** we treat start date of your **policy** as being the date that you made the changes to the **amount of your cover**. If you have changed the term of your **policy**, this means the **end date** of your policy will have changed, so for the purposes of this section, we will use this new **end date**. More details about how you can change the **amount of your cover**, or the term of your **policy** can be found in Section B.

A3 Children's Cover

This cover is automatically included in your **policy** at no extra cost.

Children's cover only pays out on diagnosis of a **critical illness**. It does not pay out if your **child** dies.

So that we can provide this at no extra cost to you, we limit the number of **critical illnesses** that your **child** is automatically covered for. These are listed in the 'What's covered' section below. Unfortunately, we do have to apply some limits to Children's Cover. These are explained in the 'What's not covered' section below.

If you're unfortunate enough to need to claim on Children's Cover, we'll pay out the lower of:

£25,000

or

an amount equal to half of the **amount of your cover**.

If your **child** is covered under Children's Cover for critical illness under any other policies held with us, then these limits apply across all of those policies. This means that the most we will pay for any one **child** for the same claim is £25,000, or, if lower, half the **amount of cover** across all of those policies combined.

You'll be able to claim on Children's Cover if your **child** is over 30 days old and under 18 when they are diagnosed with one of the illnesses, medical conditions, or have an operation, listed below.

You cannot claim more than once for each **child**. The maximum number of claims you can make on Children's Cover is two.



What's covered

■ Your child is covered for the following critical illnesses:

2. Aorta graft surgery – for disease or traumatic injury
3. Aplastic anaemia – complete
4. Bacterial Meningitis – resulting in permanent symptoms
5. Benign brain tumour – resulting in permanent symptoms
7. Cancer – excluding less advanced cases
8. Cardiomyopathy
10. Coronary artery by-pass grafts – with surgery to divide the breastbone
11. Creutzfeldt-Jakob disease – resulting in permanent symptoms
13. Heart attack – of specified severity
14. Heart valve replacement or repair – with surgery to divide the breastbone
15. HIV infection – caught in the UK or EU from a blood transfusion, physical assault or at work.
16. Kidney Failure – requiring dialysis
17. Liver failure
21. Major organ transplant
23. Multiple sclerosis – with persisting symptoms

- 26. Progressive Supranuclear Palsy
- 27. Severe lung disease
- 28. Stroke – resulting in permanent symptoms
- 29. Terminal illness
- 31. Traumatic head injury – resulting in permanent symptoms

To help you understand what these conditions cover, please refer to the explanation in the Appendix at the back of this document.

■ Travelling abroad

If your **child** is diagnosed with one of the **critical illnesses** listed above we will pay a claim provided the diagnosis has been confirmed by a doctor who practices in one of the following countries:

Australia, Austria, Belgium, Bulgaria, Canada, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK or USA.

If your **child** is diagnosed in a country not listed above, they will need to go to one of the countries listed, so that they can have that diagnosis confirmed, or have the operation.



What's not covered

■ All types of illness

Your **child** is only covered for the **critical illnesses** listed in the 'What's covered' section above. If they are diagnosed with any other illness, medical condition, or have an operation that is not listed, then we will not pay a claim for Children's Cover. Also, if your illness, medical condition or operation does not meet our definition of one of the **critical illnesses** we cover, then we will not pay a claim. For example some types of cancer are not covered.

■ All causes of critical illness

We will not pay a claim for Children's Cover if the **critical illness** your **child** has been diagnosed with, or the reason they need to have an operation, is:

as a direct result of a condition that existed before the **start date** of your **policy**,

or

due to a disease or condition that was present at birth (this is sometimes called a congenital condition),

or

caused by intentional self-inflicted injury,

or

caused by alcohol or solvent abuse,

or

caused by the taking of drugs (unless prescribed by a doctor),

or

caused by failing to follow medical advice. Of course we would only not pay a claim for this, if the reason that you chose not to follow medical advice is unreasonable.

- **If your child dies within 14 days of their critical illness being diagnosed, or having the operation.**

If your **child** dies within 14 days of being diagnosed with a **critical illness**, or having one of the operations covered, we will not pay a claim for Children's Cover.

A4 How to make a claim if the person insured has died

We expect you will leave instructions about who you want to receive the cash payment (for example, in your will).

The person making the claim will usually be the person you name in your will to deal with your affairs when you die. This person is called your 'executor'. Of course, in some circumstances, the person making the claim could be your husband or wife, or another friend or relative instead.

The person making the claim should tell us about your death as soon as they can. They can tell us in writing, by phone or fax. For details of how best to contact us, visit our website at www.lv.com.

When we're informed of your death, we will ask the person making the claim to send us the original death certificate (not a photocopy). Whilst we are awaiting this, we will check to see if we need any further information from the person making the claim. If we need any further information, we will then write to the person making the claim to explain what we need and why we need it. Examples of further information we may need are:

Proof of your age, for example your birth certificate if this was not provided when you applied for the **policy**

and

evidence of the right of the person to make the claim (for example, evidence that you have named them in your will as the executor of your estate).

and

if you have put your **policy** in trust, we'll need to see a copy of the trust deed.

We appreciate that this will be a difficult time, and we'll only ask for the information we need to pay the claim as quickly as possible.

A5 When you need to tell us about your Critical Illness

So that we can process your claim quickly, we need you to tell us about it as soon as possible after you have been diagnosed with a **critical illness** or the operation takes place. You can tell us in writing, by phone or fax. You'll always find how best to contact us on www.lv.com

A6 What you need to do to make a Critical Illness Claim

Once you've told us about your **critical illness**, we'll ask you to complete a claim form (which we'll send you at the time). This allows us to collect the information we need from you about your **critical illness**.

We want to make sure that your claim is dealt with quickly, and to help us with this, it is important that you complete and return the form to us as soon as you can. If you need help completing the form, please let us know.

So that we can properly assess your claim we'll need evidence from your doctor (or the medical practitioner who is treating you) confirming that you have been diagnosed with a **critical illness**. We may also need to get medical reports from your doctor. If we do, we'll send you a consent form to complete. The form explains your rights under the Access to Medical Reports Act 1988.

Please understand that whilst the vast majority of our customers are honest, we do have to protect ourselves (and our customers) against the effect of fraudulent claims. Therefore if you are asked for additional information, please do not take this as a reflection of our opinion of you.

We don't know exactly what evidence we will need until you make a claim, as all claims are looked at individually. We appreciate this is a difficult time, so we won't ask for anything unreasonable or unnecessary, and we will explain why we need anything we ask for.

We may need you to be examined by a doctor of our choice. We may also ask for other evidence to consider your claim, such as:

- a report from your doctor, or any other doctor who has treated or examined you, or any alternative medical practitioner
- a report on tests or investigations carried out to make the diagnosis
- a report from a consultant that we appoint, confirming the diagnosis.

Naturally, we'll pay for the cost of all medical reports and other evidence which we ask for.

If any of the information we ask for isn't provided, unless there is a good reason for this, we wouldn't pay a claim.

A7 Who we'll pay the claim to

We normally pay claims by cheque.

We will pay the claim to the legal owner of your **policy**. This will usually be one of the following:

you, or if you are not the policy owner, the person named as the policy owner in your Policy Schedule.

or

if you have died, and you are also the policy owner, we will pay the claim to the person you named in your will to look after your affairs if you die. This person is called your executor.

or

if you have died and you haven't made a will we will pay the claim to the person appointed by the courts to look after your affairs. This person is called your administrator.

or

if you have arranged for your **policy** to be put in trust, we will pay the claim to the trustees.

or

if you have assigned your **policy** to someone else (this is where you have legally signed over the ownership of your **policy** to someone else), then we will pay the claim to them.

If we pay out the amount of life cover on the death of the person insured, the **policy** will end. If we pay out the amount of critical illness cover shown in the Policy Schedule the **policy** will end unless the Policy Schedule shows that you have an 'amount of extra life cover' (see Section A8). We explain in Section A3 what we do in relation to claims for Children's Cover.

A8 What happens when a Critical Illness claim has been paid, and you have extra life cover?

If your Policy Schedule shows that you have an 'amount of extra life cover' then if we have paid a critical illness claim, you will continue to be covered for the amount of extra life cover you have chosen. Your **policy** will continue, and if you die before the **end date** of your **policy** we will pay the amount of extra life cover.

If we pay a claim because you have died, then your **policy** will end.

A9 What if you're insuring someone else?

If you are insuring someone else, you will be the policy owner, and they will be the person insured. We will pay a claim to you (or the legal owner explained in A7 above) if the person insured dies or if earlier, is diagnosed with a **critical illness**, before the **end date** of your **policy**.

If we need any doctor's reports, these will need to be provided by the doctor of the person you are insuring and they will need to give us their consent for us to ask for these.

A10 What if there's more than one person insured on the policy?

If there is more than one person insured on the **policy**, we will pay a claim if either of you die or if earlier, are diagnosed with a **critical illness** before the **end date** of your **policy**. Once we have paid a claim for life cover, the **policy** will end. If you are also both policy owners, and one of you dies, we will normally pay the claim to the surviving policy owner.

However your **policy** won't end if the claim we've paid relates to Children's Cover (which we've explained in Section A3), or if we have paid a claim for critical illness, and your Policy Schedule shows that you have an 'amount of extra life cover' (See Section A8).



Section B – Options to change your policy

This section tells you about how you can change the **amount of your cover**, or the term of your **policy**.

If you have chosen for the **amount of your cover** to increase in line with **inflation** this is explained in section A2(b).

However you can also choose to change the **amount of your cover**, or the term of your **policy** between the **start date** and the **end date**.

If you want to do this, please let us know, and we will supply you with a special application form to complete. We'll let you know what information we need at the time, and we'll be able to help you complete the application form.

It is very important that you don't cancel your existing **policy**. We will confirm the changes you've requested to you, and if you wish to proceed with them, we'll tell you if your existing **policy** needs to be cancelled. If it does need to be cancelled, we'll do this automatically for you.

B1 Guaranteed Increase Options

You can increase the **amount of your cover** and in some cases replace your **policy** with a new **policy**, without completing a full application, if certain events happen. We call these Guaranteed Increase Options, because we guarantee that you can change your **policy**, within certain limits, as long as you are eligible.

The options apply separately to life cover and critical illness cover.

Occasionally, due to your medical history, or your personal circumstances you may not be able to take advantage of these options. If this applies to you, we will tell you before your **policy** starts. This will be detailed on your Policy Schedule under the heading of Special Provisions.

The event must happen to the person insured. This means that if you're insuring someone else then it's their circumstances we'll consider, not yours.

If you want to change your **policy** using one of the Guaranteed Increase Options, you won't have to provide any additional medical information at that time. Naturally, this means that we have to apply some limits to the amount you can change your cover by. We've explained this in more detail below.

The events which are covered by our Guaranteed Increase Options are:

- **Marriage or civil partnership**

You can use this option if you marry or enter a civil partnership. You can increase the **amount of cover** by up to 50% of the **amount of your cover**. This will be the **amount of cover** shown on your Policy Schedule at the time you wish to use this option.



Example

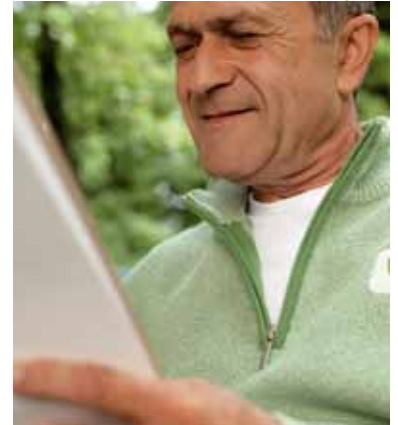
James has a Combined Life & Critical Illness policy for £200,000. He and his partner Susan decide to marry. James wants to increase his cover to make sure his new wife is protected financially, should he die, or, if earlier be diagnosed with a critical illness. He can use this option to increase the amount of cover.

The maximum amount that James can increase his cover by is £100,000, which means he could increase the amount of cover to a maximum of £300,000.

$$£200,000 \times 50\% = £100,000$$

$$£200,000 + £100,000 = £300,000$$

James is able to increase his cover using this Guaranteed Increase Option without having to complete another full application, or providing any additional medical information.



■ Childbirth or legal adoption of a child

You can use this option if you have a child, or you legally adopt a child. You can increase the **amount of cover** by up to 50% of the **amount of your cover**. This will be the **amount of cover** shown on your Policy Schedule at the time you wish to use this option.

■ Divorce or dissolution of civil partnership

You can use this option if you divorce or your civil partnership is dissolved. You can increase the **amount of cover** by up to 50% of the **amount of your cover**. This will be the **amount of cover** shown on your Policy Schedule at the time you wish to use this option.

■ Mortgage increase

You can use this option if you take out a new mortgage or an additional loan under an existing mortgage on your main residence to make home improvements.

You can increase the **amount of cover** by the lower of:

the increase in your mortgage amount,

or

50% of the **amount of your cover** shown on your Policy Schedule at the time you wish to use this option.

■ Mortgage extension

You can use this option if you extend the repayment term of your mortgage or take out a new mortgage, so that the repayment date is more than one year after the **end date** of your **policy**.

You can extend the term of your **policy** by replacing it with a new policy as long as at the time:

The **amount of cover** for the new policy is the same as or less than the **amount of cover** on your current **policy**,

and

the **amount of cover** for the new policy is the same as or less than the amount outstanding under your mortgage,

and

the **end date** of the new policy is not later than the repayment date of the mortgage,

and

the new policy ends before you (or both of you, if there is more than one person insured) reach the age of 70.

■ **Splitting a joint life policy on separation**

This option only applies if there are two people insured under the policy, and you have taken it out for the purpose of protecting a mortgage.

If you get divorced or have your civil partnership dissolved, or legally separate you can each replace your current policy with a new policy.



Example

Stuart and Natalie are married. They originally took out a policy for £100,000 a few years ago, and increased their cover to £150,000 using one of the Guaranteed Increase Options. They're both insured under the policy.

Stuart and Natalie decide to get a divorce, but they each want to keep £150,000 of cover. They can use this option to split their existing plan into two separate plans. Each plan would include a Combined Life & Critical Illness policy with cover of £150,000 (the most cover allowed). They'd each own one policy, and be the insured person on that policy.



This will only be possible if:

The original mortgage has been rearranged to be in the name of one of you only

or

If either of you has taken out a new mortgage

The **amount of cover** cannot be more than was shown on your Policy Schedule for your original **policy**, at the time you wish to use this option. If you choose to use this option, your current **policy** will be cancelled and we will issue a new policy for each of you in its place.

The **premium** you pay for the new policy will depend on your age, sex, whether you smoke, and the premium rates available at the time. If you had to pay any extra **premiums** on your original **policy**, because of your health, occupation or leisure activities, then this extra **premium** may also be applied to your new policy.

General limits for Guaranteed Increase Options

There are some limits to how much you can change the **amount of cover** by. These limits depend on which option you use. The total of all the Guaranteed Increase Options you use can't be more than the lower of £150,000 or 50% of the **amount of cover** shown on your Policy Schedule, at the time you wish to use the option. The limits apply separately to life cover and critical illness cover.

The table below explains these limits in more detail. It also shows the maximum age at which you can make use of these options. If you're insuring two people, it's the older of them that the maximum age limit applies to.

In all cases you can only use these options within 3 months of the event occurring.

Your **policy** must be current with all **premiums** paid to date.

Unfortunately you won't be able to use these options where:

- You have had a critical illness claim paid for the full amount of the critical illness cover.
- You have been diagnosed with a **critical illness** or had an operation covered by this **policy**, or you have been advised by a medical practitioner to have an operation covered by this **policy**. You don't need to have told us that you intend to make a claim.

Event	Increase limit	Maximum increase	Maximum age
Marriage/Civil Partnership	50% of the amount of your cover at the time you wish to use the option.	£150,000	49
Childbirth/Legal adoption of a child	50% of the amount of your cover at the time you wish to use the option	£150,000	49
Divorce/Dissolution of Civil Partnership	50% of the amount of your cover at the time you wish to use the option	£150,000	49
Mortgage Increase	The lower of: the increase in mortgage amount, or 50% of the amount of your cover at the time you wish to use the option	£150,000	49
Mortgage extension	New amount of cover cannot be more than the lower of: the amount of your cover on your original policy at the time you wish to use the option, or the amount outstanding under your mortgage at the time.	Not applicable	49

Event	Increase limit	Maximum increase	Maximum age
Splitting a joint life policy on separation	The amount of cover is limited to the amount of cover on your original policy at the time you wish to use the option.	Not applicable	No age limit

If you change the **amount of your cover** using one of these options, the **premium** you need to pay will also change to reflect this. The **premium** will be based on your age, sex and smoker status at the time of the change. Any Special Provisions which apply to your **policy** will also apply to any Guaranteed Increase Option increases. These Special Provisions will be shown in your Policy Schedule.

If you want to use one of the Guaranteed Increase Options, we'll ask you for evidence of the change of your circumstances, such as:

- Your original marriage certificate or civil partnership registration certificate,
- or
- the original birth certificate or adoption certificate,
- or
- a copy of your mortgage offer,
- or
- your original decree absolute or dissolution certificate.

B2 Buy back life cover option

Section B2 only applies if your Policy Schedule states that Buy back life cover option is included.

If your Policy Schedule shows that the Buy back life cover option is included, and we have paid a critical illness claim, then you can take out a new Life Protection policy, for the same person insured, without having to provide any additional medical information at that time.

You can do this 12 months after the date you were diagnosed with a **critical illness**, or the date you had the operation. We call this the 'option date'.



Example

Chris chose to include the buy back life cover option when his policy started. Chris was diagnosed with a critical illness on 30th June 2007 and we paid his critical illness claim 1 month later on 30th July 2007. His 'option date' is 30th June 2008, that is to say 12 months after the date of diagnosis, and not 12 months after the date we paid his claim.



Naturally, this means that we have to apply some limits, and we've explained these in more detail below:

The amount of life cover for the new Life Protection policy cannot be more than the lower of the life cover or critical illness cover shown on your Policy Schedule at the time of the critical illness claim,

and

the start date of the new Life Protection policy must be the same as the 'option date',

and

the end date of the new Life Protection policy must be the same as the **end date** shown on your Policy Schedule for your original Combined Life & Critical illness **policy**, at the time we paid the critical illness claim,

and

the type of cover for the new Life Protection policy must be the same as was included in your original Combined Life & Critical illness **policy**. For example if your original **policy** was for level cover, then the new policy must also be for level cover,

and

if you are the policy owner, and not also the person insured, you must still have an 'insurable interest' in the person you are insuring. This means you can only insure someone else if you'll suffer financially on their death. If you're insuring your spouse or civil partner you automatically have an insurable interest.

We will give you details of the terms and conditions which apply to the Life Protection policy at the time you tell us you wish to use this option and we'll also send you a special application form to complete. You need to complete the form and return it to us before the 'option date'. If you don't, you won't be able to use this option.

If for any reason our Life Protection policy is no longer available, we'll let you know the details of alternative policies that are available at the time.

The **premium** you pay for the new policy will depend on your age, whether you smoke, and the premium rates available at the time. If you had to pay any extra **premiums** on your original **policy**, because of your health, occupation or leisure activities, then this extra **premium** may also be applied to your new policy.

B3 Other ways to change the amount of your cover

You can change the **amount of your cover**, or the term of your **policy** at any time. If you want to do this (other than using the Guaranteed Increase Options in section B1, or inflation-linking, which is explained in Section A2(b)) we'll work out the new **premium** depending on your age, health and medical history, leisure activities, whether you smoke and the premium rates available at the time.

We'll confirm the new **amount of cover** and **premium** before we make the changes. Unfortunately, we can't guarantee that we'll be able to offer you an increase in the future, as it will depend on your age, health and medical history, leisure activities and whether we are offering the same type of insurance at that time.



Section C – Other conditions

This section tells you about other things you need to know, such as how to pay your **premiums**, and how to cancel your **policy**.

C1 Paying your premiums

You are responsible for paying **premiums** on the date shown in your Policy Schedule (these are known as **premium due dates**). You must pay your **premiums** by Direct Debit through a bank or building society.

C2 Stopping your premiums

We give you 60 days from the due date for you to pay a **premium**. If we haven't received a **premium** from you, we will send you a reminder to let you know.

If you fail to pay any **premium** within this 60 day period, then your **policy** stops immediately, and we will cancel it. We will not pay anything to you if this happens. If we cancel your **policy**, we'll let you know.

C3 Re-starting your premiums

If your **policy** has stopped because you didn't pay a **premium**, you can ask us to start it again. If you are in good health you can do this within six months of the first unpaid **premium**. So that we can restart your **policy**, we will need you to pay all of the **premiums** that you haven't paid. You will also need to sign a declaration of good health.

Unfortunately, it is possible that we may not be able to restart your **policy**, for example if you are now in poor health. In the event that this happens, we will explain our decision to you and the reasons for it. Please note as the **policy** has actually ended we are not obliged to restart it for you.

C4 When we can change your premium (Reviewable premiums)

The **premiums** you pay are reviewable. This means they are not guaranteed to stay the same throughout the term of your **policy**. They could go up, go down, or remain the same – however they will not change within the first 5 years of the **start date** of your **policy**.

When you first apply for your **policy**, we work out the **premium** that you need to pay for the **amount of your cover**, using a number of different assumptions. These include:

how many claims we think we will get,

and

how much we think we will pay out in claims,

and

how we think our costs for administering policies including processing claims might change over time,

and

the law, regulations and current tax rules.

We will set our assumptions based on the information available at the time we work out your **premium**, and we don't expect them to change during the term of your **policy**.

We will then review these assumptions on an on-going basis. This means that we look to see whether we still expect our assumptions not to change throughout the term of your **policy**. We will only change our assumptions if having looked at our own data, and information from valid industry sources, this clearly indicates that things are expected to change. If we change our assumptions for the future, we will also check your **premium**, to see if it needs to change.

There is no limit to the amount we can change your **premium** by. Your **premium** could of course stay the same.

We will not check the **premium** for your **policy** for the first 5 years from the **start date**. After 5 years we can check your **premium** every year.

We may change your **premium** for any of the following reasons:

- If the way policies are taxed or the law or regulations changes
- If there have been any medical advances, or any changes in medical screening procedures which affect the **critical illnesses** covered by this **policy**
- If there have been any general trends in the health of the UK population which affect the **critical illnesses** covered by this **policy** (for example if more people give up smoking, or live healthier lifestyles).
- If our claims experience has been different to what we assumed it would be, and we expect this to continue in the future.
- If our reasonable costs for administering policies including processing claims have been different to what we thought they would be, and we expect this to continue to be the case.

We can't change your **premium** for any of the following reasons:

- To increase our profits
- To make up for any losses we've made in the past

- If you've made claim
- If there have been any changes in your health since the **start date** of your **policy**

If your **premium** is going to change we will let you know at least 60 days before we change it. The **premium** will change on your **plan anniversary**.

If we advise you of an increase to your **premium**, you can choose to continue paying the previous amount instead. The **amount of your cover** will then be reduced, from the **plan anniversary** onwards, to the amount that we work out your existing **premium** will pay for.

You must tell us, if you decide to do this, at least 30 days before the change is due to be made.

You can also choose to cancel your **policy**, although you should think about it carefully before doing so. If you decide to do this, your **policy** will end, you won't be covered and you won't get anything back.

C5 Proof of your age and name

The **premium** you pay for the **amount of your cover** is based on your date of birth as shown in your Policy Schedule.

We will need evidence of your age before we will pay a claim on your **policy**. We will accept your original birth certificate or passport as evidence, but not photocopies.

We recognise that these are valuable documents that other people may need at the same time. We will look after the documents carefully, and return them to you quickly.

It is really important that you check your Policy Schedule has the correct date of birth on it, as it affects the amount we can pay out for a claim. If your actual date of birth differs from that shown on your Policy Schedule, we will change the **amount of your cover** to the amount that would have been available, based on your actual age and the **premiums** you have paid.

Of course, if when a claim is made your name is different from your name on your Policy Schedule and birth certificate we will also need evidence of this change (for example a marriage certificate). We may need to ask for additional evidence, but we won't ask for anything unreasonable. We will tell you what evidence we need, and why we need it.

C6 When you can cancel your policy

You can cancel your **policy** at any time by contacting us, although if you do you will lose all your cover under the **policy** and you won't get anything back.

C7 When we can cancel your policy

Once your **policy** starts we won't cancel it, unless you have not paid all of the **premiums** that are due. We have explained this in more detail in section C2.

There is just one exception.

Please understand that whilst the vast majority of our customers are honest, we do have to protect ourselves (and customers) against the effect of fraudulent claims.

We will cancel your **policy** if either you or anyone you are insuring act fraudulently, deliberately provide untrue, inaccurate or misleading information when you apply for the **policy**, when making a claim, if you apply to change your **policy**, or if you apply to re-start your **premiums** (this is explained in Section C3).

This means we will cancel your **policy** if we determine that you would have known, or ought to have reasonably known, the true answer to a question we ask you, but have deliberately provided a false answer.

We may also cancel your **policy**, or may not pay the **amount of your cover** in full, if had you answered all of the questions we asked you honestly and in full, it would have led us to a different decision about the **amount of your cover**. For example:

A higher **premium** would have applied for the **amount of your cover**,

or

the **amount of your cover** would have been lower for the same **premium**,

or

we would have restricted the **critical illnesses** covered under your **policy**,

or

the term of your **policy** would have been restricted,

or

your application would have been deferred, for example, pending the outcome of a medical investigation,

or

your application would have been declined.

If you apply for your **policy** on-line, we will send you a summary of the questions we ask and the answers you give. We will also do this, if, when you apply, we telephone you to ask you some further questions about your application. When you receive this summary it's very important that you check the answers you gave, as we rely on this information to set up your **policy**.

Once you have checked the report, you need to sign it and return it to us within 60 days of the **start date** of your **policy**. If you don't we may have to cancel your **policy**.

If we cancel your **policy** you won't be entitled to any refund of **premiums** or payment from it.

C8 When your policy ends

On the **end date** shown in your Policy Schedule, your **policy** will stop and no further **premiums** will be due. You won't receive anything back when it ends.

Also once we have paid a claim on your **policy** (unless the claim is for Children's cover – see Section A3), it automatically ends, and we are not liable for any further claims.

If we pay a claim for critical illness cover the **policy** will end unless the Policy Schedule shows that you have an 'amount of extra life cover' (See Section A8).

C9 Arranging for the amount of cover to be paid to a specific person

You might want to arrange for the **amount of cover** to be paid to another person, or company when you claim, such as your mortgage lender.

You can do this by transferring ('assigning') your **policy** to another person (or people) or a company, or by placing it in trust. But remember, you will still be the person insured.

If you do this, you need to send us the relevant documents so that we can update our records. If you don't, we may not pay the right person when a claim is made.

You are responsible for making sure that the **policy** has been assigned, or placed in trust in a way which is valid and effective. You may want to talk to a Solicitor before doing this.

C10 The law that applies to your policy

The law and jurisdiction of England and Wales will apply to this **policy**. All information we provide will be in English.



Appendix – The list of Critical Illnesses

In this Appendix we have provided detailed definitions of the **critical illnesses** that are covered by this **policy**.

Your Policy Schedule explains which of these **critical illnesses** you're covered for. This depends on whether you chose to be covered for all of the **critical illnesses**, all of the **critical illnesses** except Permanent Total Disability (No.32), or just Permanent Total Disability only (No.32). The choices you have are explained in section A1.

Also in some cases due to your health, occupation or leisure activities we may not be able to cover you for all of these **critical illnesses**. If this is the case, it will be noted on your Policy Schedule under the heading of Special Provisions.

1. Alzheimer's disease (including pre-senile and senile dementia) – resulting in permanent symptoms

A definite diagnosis of Alzheimer's disease by a Consultant Neurologist, Psychiatrist or Geriatrician. There must be permanent clinical loss of the ability to do all of the following:

- Remember;
- Reason; and
- Perceive, understand, express and give effect to ideas.

For the above definition, the following are not covered:

- Other types of dementia.

2. Aorta graft surgery – for disease or traumatic injury

The undergoing of surgery for disease or trauma to the aorta with excision and surgical replacement of a portion of the diseased or damaged aorta with a graft. The term aorta includes the thoracic and abdominal aorta but not its branches.

For the above definition, the following are not covered:

- Any other surgical procedure, for example the insertion of stents or endovascular repair

3. Aplastic anaemia – complete

A definite diagnosis by a Consultant Haematologist of complete bone marrow failure which results in anaemia, neutropenia and thrombocytopenia requiring treatment with at least one of the following:

- blood transfusion;
- marrow stimulating agents;
- immunosuppressive agents;
- bone marrow transplant.

For the above definition, the following are not covered:

- other forms of anaemia.

4. Bacterial Meningitis – resulting in permanent symptoms

A definite diagnosis of Bacterial Meningitis by a Consultant Neurologist resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- all other forms of meningitis other than those caused by bacterial infection.

5. Benign brain tumour – resulting in permanent symptoms

A non-malignant tumour or cyst in the brain, cranial nerves or meninges within the skull, resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- Tumours in the pituitary gland.
- Angiomas.

6. Blindness – permanent and irreversible

Permanent and irreversible loss of sight to the extent that even when tested with the use of visual aids, vision is measured at 3/60 or worse in the better eye using a Snellen eye chart.

7. Cancer – excluding less advanced cases

Any malignant tumour positively diagnosed with histological confirmation and characterised by the uncontrolled growth of malignant cells and invasion of tissue.

The term malignant tumour includes leukaemia, lymphoma and sarcoma.

For the above definition, the following are not covered:

- All cancers which are histologically classified as any of the following:
 - pre-malignant;
 - non-invasive;
 - cancer in situ;
 - having either borderline malignancy; or
 - having low malignant potential.
- All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM Classification T2N0M0.
- Chronic lymphocytic leukaemia unless histologically classified as having progressed to at least Binet Stage A.
- Any skin cancer other than malignant melanoma that has been histologically classified as having caused invasion beyond the epidermis (outer layer of skin).

8. Cardiomyopathy

A definite diagnosis by a Consultant Cardiologist of Cardiomyopathy resulting in permanently impaired ventricular function such that the ejection fraction is 35% or less for at least 6 months when stabilised on therapy advised by the Consultant.

The diagnosis must also be evidenced by:

- Electrocardiographic changes; and
- Echocardiographic abnormalities.

The evidence must be consistent with the diagnosis of Cardiomyopathy.

For the above definition, the following are not covered:

- all other forms of heart disease, heart enlargement and myocarditis; and
- Cardiomyopathy related to alcohol or drug abuse.

9. Coma – resulting in permanent symptoms

A state of unconsciousness with no reaction to external stimuli or internal needs which:

- requires the use of life support systems;
- and
- results in permanent neurological deficit with persisting clinical symptoms

10. Coronary artery by-pass grafts – with surgery to divide the breastbone

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to correct narrowing or blockage of one or more coronary arteries with by-pass grafts.

11. Creutzfeldt – Jakob disease – resulting in permanent symptoms

Confirmation by a Consultant Physician of a definite diagnosis of Creutzfeldt-Jakob disease resulting in permanent neurological deficit with persisting clinical symptoms.

12. Deafness – permanent and irreversible

Permanent and irreversible loss of hearing to the extent that the loss is greater than 95 decibels across all frequencies in the better ear using a pure tone audiogram.

13. Heart attack – of specified severity

Death of heart muscle, due to inadequate blood supply, that has resulted in all of the following evidence of acute myocardial infarction:

- New characteristic electrocardiographic changes.
- The characteristic rise of cardiac enzymes or Troponins recorded at the following levels or higher;
 - Troponin T > 1.0 ng/ml
 - AccuTnl > 0.5 ng/ml or equivalent threshold with other Troponin I methods.

The evidence must show a definite acute myocardial infarction.

For the above definition, the following are not covered:

- Other acute coronary syndromes including but not limited to angina.

14. Heart valve replacement or repair – with surgery to divide the breastbone

The undergoing of surgery requiring median sternotomy (surgery to divide the breastbone) on the advice of a Consultant Cardiologist to replace or repair one or more heart valves.

15. HIV infection – caught in the UK or EU from a blood transfusion, a physical assault or at work.

Infection by Human Immunodeficiency Virus resulting from:

- a blood transfusion given as part of medical treatment;
- a physical assault; or
- an incident occurring during the course of performing normal duties of employment;

after the start of the policy and satisfying all of the following:

- The incident must have been reported to appropriate authorities and have been investigated in accordance with the established procedures.

Where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within 5 days of the incident.

- There must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus.
- The incident causing infection must have occurred in the UK or EU.

For the above definition, the following is not covered:

- HIV infection resulting from any other means, including sexual activity or drug abuse.

16. Kidney failure – requiring dialysis

Chronic and end stage failure of both kidneys to function, as a result of which regular dialysis is necessary.

17. Liver failure

A definite diagnosis, by a Consultant Physician or other appropriately qualified medical professional, of irreversible end stage liver failure due to cirrhosis resulting in all of the following:

- permanent jaundice,
- ascites, and
- encephalopathy.

For the above definition, the following is not covered:

- Liver failure secondary to alcohol or drug abuse.

18. Loss of independent existence

Confirmation by a Consultant Physician of loss of independent existence resulting in a permanent inability to perform at least three of the following activities of daily living either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons. For the purpose of this benefit the word 'permanent' shall mean beyond the hope of recovery with current medical knowledge and technology.

The activities of daily living are:

- **Transfer and mobility** - The ability to move from one room to an adjoining room or from one side of a room to another or to get in and out of a bed or chair without requiring physical assistance of another person.
- **Continence** - The ability to voluntarily control bowel and bladder functions such as to maintain personal hygiene.
- **Dressing** - Putting on and taking off all necessary items of clothing without requiring assistance of another person.
- **Toileting** - Getting to and from the toilet, transferring on and off the toilet and associated personal hygiene.
- **Eating** - All tasks of getting food into the body once it has been prepared.

19. Loss of hands or feet – permanent physical severance

Permanent physical severance of any combination of 2 or more hands or feet at or above the wrist or ankle joints.

20. Loss of speech – permanent and irreversible

Total permanent and irreversible loss of the ability to speak as a result of physical injury or disease.

21. Major organ transplant

The undergoing as a recipient of a transplant of bone marrow or of a complete heart, kidney, liver, lung, or pancreas, or inclusion on an official UK waiting list for such a procedure.

For the above definition, the following is not covered:

- Transplant of any other organs, parts of organs, tissues or cells.

22. Motor neurone disease – resulting in permanent symptoms

A definite diagnosis of motor neurone disease by a Consultant Neurologist. There must be permanent clinical impairment of motor function.

23. Multiple sclerosis – with persisting symptoms

A definite diagnosis of Multiple Sclerosis by a Consultant Neurologist. There must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least 6 months.

24. Paralysis of limbs – total and irreversible

Total and irreversible loss of muscle function or sensation to the whole of any 2 limbs.

25. Parkinson's disease – resulting in permanent symptoms

A definite diagnosis of Parkinson's disease by a Consultant Neurologist. There must be permanent clinical impairment of motor function with associated tremor, rigidity of movement and postural instability.

26. Progressive Supranuclear Palsy

A definite diagnosis before age 65, by a Consultant Neurologist, of Progressive Supranuclear Palsy.

There must be permanent clinical impairment of eye movement and motor function with associated tremor, rigidity of movement and postural instability.

27. Severe lung disease

Confirmation by a Consultant Physician of chronic lung disease which is evidenced by all of the following:

- The need for continuous daily oxygen therapy on a permanent basis with evidence that oxygen therapy has been required for a minimum of six months
- vital capacity being less than 50% of normal, and
- FEV1 (Forced Expiratory Volume at 1 second) being less than 40% of normal.

28. Stroke – resulting in permanent symptoms

Death of brain tissue due to inadequate blood supply or haemorrhage within the skull resulting in permanent neurological deficit with persisting clinical symptoms.

For the above definition, the following are not covered:

- Transient ischaemic attack.
- Traumatic injury to brain tissue or blood vessels.

29. Terminal illness

Advanced or rapidly progressing incurable illness where, in the opinions of an attending consultant and our Chief Medical Officer, the life expectancy is no greater than 12 months.

30. Third degree burns – covering 20% of the body's surface area or affecting 50% of the area of the face or head

Burns that involve damage or destruction of the skin to its full depth through to the underlying tissue and covering at least 20% of the body's surface area or affecting 50% of the area of the face or head.

31. Traumatic head injury – resulting in permanent symptoms

Death of brain tissue due to traumatic injury resulting in permanent neurological deficit with persisting clinical symptoms.

32. Permanent Total Disability

Your Policy Schedule states whether this is included and, if so, whether you are covered for Own Occupation cover, or Work Tasks cover.

■ Own Occupation cover

You are totally and permanently unable to carry out all the main duties of your normal occupation, because of sickness or accident before the age of 65.

Your normal occupation is the occupation you were in when you became ill or had the accident which prevented you from working. By main duties, we mean the duties that can't reasonably be left out without affecting your ability to do your job.

'Occupation' means a type of job with certain characteristics; it does not mean a specific job with a particular employer.

■ Work Tasks cover

You are permanently unable, because of sickness or accident, to carry out at least three of the following activities, using appropriate equipment to help you but without the help of another person:

- **Walking** – to be able to walk a distance of 200 metres on flat ground (with the use of a walking stick or other aid if necessary) without stopping.
- **Climbing** – to be able to walk up or down a flight of 12 stairs (with the use of a handrail) without stopping.
- **Bending** – to be able to bend or kneel to pick up something from the floor and stand up again.
- **Communicating** – answer the telephone and take a simple message.
- **Eyesight** – to be able to read a standard daily newspaper or to pass the standard eyesight test for driving. (after correction by spectacles or contact lenses if necessary)
- **Dexterity** – to be able to use a pen, pencil or keyboard.
- **Healthcare** – to be able to make arrangements to see a doctor and take regular medication as prescribed.
- **Financial independence** – to be able to understand the value of money and handle routine financial transactions.



It is important to understand that for us to pay a claim under either Own Occupation cover or Work Tasks cover, we need to be satisfied that your disability is expected to last for the remainder of your life, irrespective of when your policy ends, or when you retire.

This means we won't pay a claim if we determine you are only partially or temporarily disabled, or the medical evidence we have received in connection with your claim indicates that your disability is not expected to last for the remainder of your life.

We will pay a claim if the medical evidence we have received in connection with your claim shows that you have received all reasonable treatment options, these have been given a reasonable time to work, and have still failed to show any improvement in your symptoms.

More information on how to make a claim, and the types of evidence we need are explained in Section A6.

