

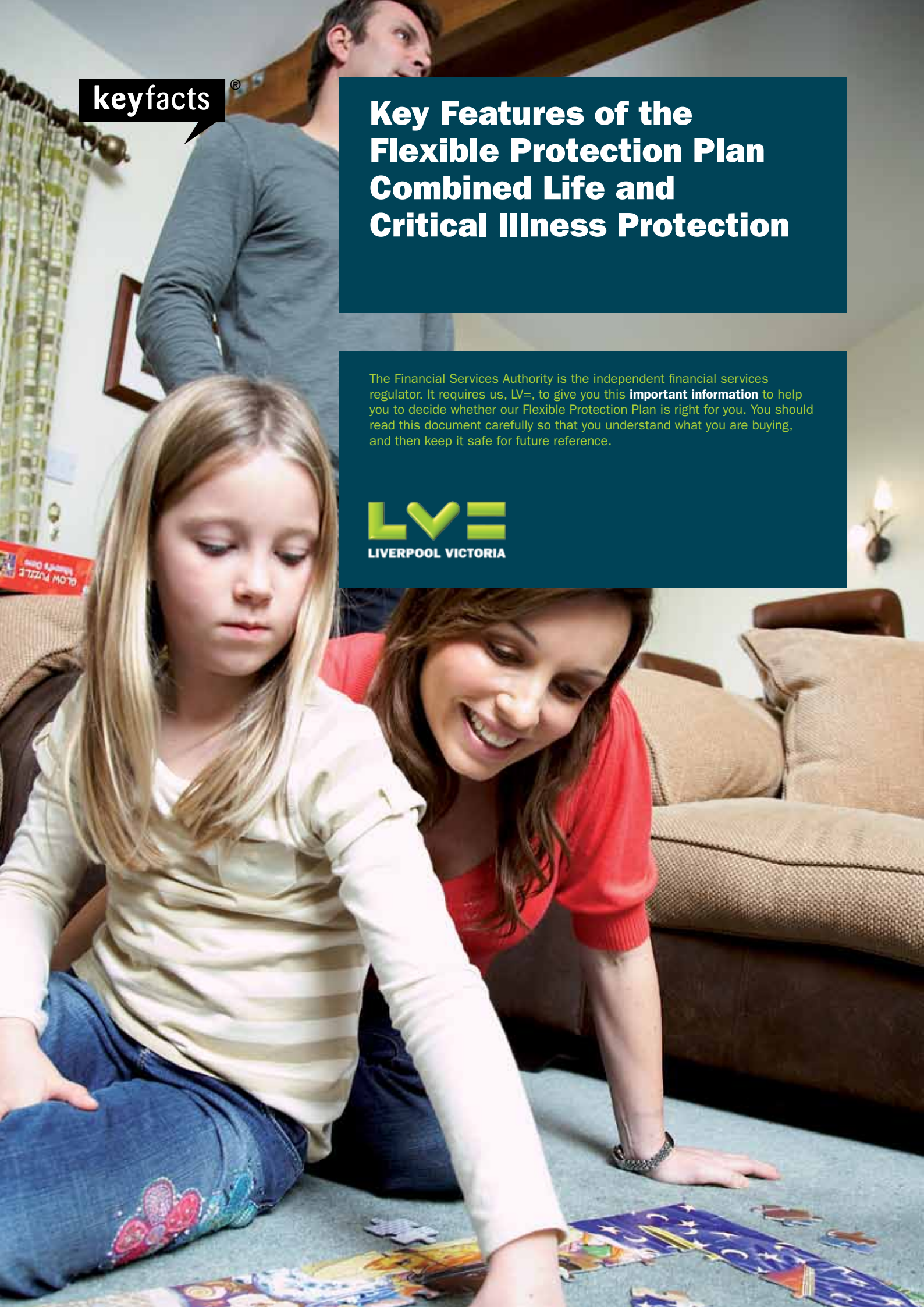
keyfacts<sup>®</sup>

## Key Features of the Flexible Protection Plan Combined Life and Critical Illness Protection

The Financial Services Authority is the independent financial services regulator. It requires us, LV=, to give you this **important information** to help you to decide whether our Flexible Protection Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.



LIVERPOOL VICTORIA



# Key Features Of The Flexible Protection Plan

## Combined Life And Critical Illness Protection

If you'd like this document in Braille, large print or audiotape, please contact us.

In this Key Features document we try to help you, by giving you the key features of the Combined Life and Critical Illness Protection Policy, available in our Flexible Protection Plan. It doesn't contain the full terms and conditions, which you will find in the Combined Life and Critical Illness Protection Policy Conditions.

Combined Life and Critical Illness Protection is underwritten by Liverpool Victoria Friendly Society Limited, which is part of LV=.



### Its Aims

To pay a one off cash lump sum on death or if earlier, diagnosis of one of the critical illnesses covered by this policy, to help pay off a mortgage, or provide a lump sum to ease the financial worries of your family.

To insure yourself, yourself and someone else, or one or two other people.



### Your Commitment

To meet your commitment under this policy you need to: Choose the amount and type of cover you need.

Choose how long you need the cover for.

Pay your premiums each month by Direct Debit.

Answer all the questions when you apply carefully and to the best of your knowledge and belief. If you're insuring someone else, you need to ensure that they do the same.

Tell us if there's any change to the information given when you apply, or to any of the supporting documents provided, between the date your application was completed, and the date your policy starts.



## Risks

If you don't tell us everything we ask for when you apply, or you don't tell us that the information given has changed before your policy starts, we may cancel it, or may not pay a claim.

If you stop paying premiums, your policy will stop after 60 days. This means you won't be covered.

If you choose level cover, your cover is fixed when your policy starts and doesn't change. This means it won't keep up with the rising cost of living (inflation) and will mean the lump sum we pay out on a claim will buy less in the future.

If you have taken this policy out to cover a loan or a mortgage, it is not guaranteed to pay off all of the outstanding balance in the event of a claim.

Although you are covered wherever you are in the world, if you are diagnosed with a critical illness, we will only pay a claim if that diagnosis has been confirmed by a doctor who practices in one of a certain number of countries. The list of countries can be found in Section A of the Policy Conditions.

You are only covered for the critical illnesses covered by this policy. If you are diagnosed with any other illness or have an operation that is not covered under this policy, then we will not pay a claim.

If you are diagnosed with a critical illness, and then die within 14 days of the diagnosis, then we will not pay a critical illness claim.

If the Government changes the tax treatment of protection products like our Combined Life and Critical Illness Protection policy, the amount of cover paid out on a claim could change.

**WARNING – This policy has no cash-in value at any time.**

### **Important:**

**When you apply for this policy, it is vital that you answer all of the questions we ask you in the application honestly and in full.**

**We will cancel your policy if either you or anyone you're insuring act fraudulently, or deliberately provide untrue, inaccurate or misleading information, when you apply for the policy, or when making a claim.**

**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.**

**If you're insuring someone else, this also applies to any part of the application that they complete.**

**If we cancel your policy you are not entitled to a refund of the premiums you have paid.**

# Questions & Answers

## What is the Flexible Protection Plan?

Our Flexible Protection Plan allows you to pick and choose from a number of different life and health insurance policies, and include them all within one plan.

You can choose from:

Life Protection

Critical Illness Protection

Combined Life and Critical Illness Protection

Income Protection & Budget Income Protection

This Key Features document provides information on Combined Life and Critical Illness Protection. If you're interested in any of the other policies, and would like more information about them, please speak to your Financial Adviser.



### What am I covered for?

Combined Life and Critical Illness Protection is designed to pay out a cash sum if you die, or if earlier, are diagnosed with a critical illness which is covered under this policy, and you live for 14 days or more after your diagnosis or operation. The diagnosis or operation must occur between the start date and the end date of your policy.

If we pay out the cash sum before the end date, the policy will end, unless the claim relates to Children's Cover or we pay a partial payment, or unless you choose to have more life cover than critical illness cover (See the 'How much cover can I have' section for more details).

You can insure two people under one policy. If you do, the policy will pay out if either of you die, or if earlier, are diagnosed with a critical illness before the end of your policy.

### What Critical Illnesses can I choose to be covered for?

You can choose to be covered for all of the critical illnesses listed on the next page. Alternatively you can leave out Permanent Total Disability (Condition 38). Or you can choose to cover Permanent Total Disability (Condition 38) only.

The complete list of conditions we cover is set out on page 5. These headings are only a guide to what is covered. The full details of the illness covered and the circumstances in which you can claim are given in the policy conditions. These typically use medical terms to describe the illness but in some cases the cover may be limited. For example:

Some types of cancer are not covered.

To make a claim for some illnesses, you need to have permanent symptoms.

For mastectomy (No.23) and prostate cancer (No.31) we will only pay out a partial payment. For a partial payment we will pay the lower of 25% of the amount of cover or £25,000.

**The Critical Illnesses we cover are:**

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**
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**
11. **Creutzfeldt-Jakob disease** – resulting in permanent symptoms
12. **Deafness** – permanent and irreversible
13. **Encephalitis** – resulting in permanent symptoms
14. **Heart attack** – of specified severity
15. **Heart valve replacement or repair**
16. **HIV infection** – caught in the UK or EU from a blood transfusion, a physical assault or at work.
17. **Kidney failure** – requiring dialysis
18. **Liver failure**
19. **Loss of independent existence**
20. **Loss of hands or feet** – permanent physical severance
21. **Loss of speech** – permanent and irreversible
22. **Major organ transplant**
23. **Mastectomy**
24. **Motor neurone disease** – resulting in permanent symptoms
25. **Multiple sclerosis** – with persisting symptoms
26. **Open heart surgery**
27. **Paralysis of a limb** – total and irreversible
28. **Parkinson's disease** – resulting in permanent symptoms
29. **Primary pulmonary hypertension**
30. **Progressive supranuclear palsy**
31. **Prostate cancer**
32. **Severe lung disease**
33. **Stroke** – resulting in permanent symptoms
34. **Systemic lupus erythematosus**
35. **Terminal illness**
36. **Third degree burns** – covering 20% of the body's surface area or affecting 50% of the area of the face or head.
37. **Traumatic head injury** – resulting in permanent symptoms
38. **Permanent Total Disability**

We've included a list of all the illnesses, medical conditions and operations covered in Section A1 of our Policy Conditions. More detailed information including an explanation of when we will and will not pay out for each one is detailed in the Appendix at the back of the Policy Conditions.

## **What am I covered for if I have chosen to include Permanent Total Disability?**

You will either be covered if you are unable to carry out your normal job (we call this 'own occupation'), or you will be covered if you are unable to carry out a number of certain work-related activities (we call these 'work tasks').

We will tell you which one of these you are covered for before your policy starts.

The cover we are able to offer you depends on your personal circumstances, such as your job and your medical history.

We explain what's covered in Section A1 of the Policy Conditions, and more detailed information can be found in the Appendix (Condition 38) at the back of the Policy Conditions.

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## **What is the buy back 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 full claim for critical illness cover, without having to supply additional medical information at that time. Instead we will use the medical information you have previously supplied.

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.

There are some limits that apply to this option, and more details can be found in Section B2 of the Policy Conditions.

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## **What is Automatic Children's Cover?**

We normally automatically include a limited amount of critical illness cover for your children in this policy. We provide this at no extra cost to you, and it covers all our critical illnesses except permanent total disability. Your children are only covered for critical illnesses. We will not pay a claim for life cover.

You cannot claim more than once for each child, and the maximum number of claims you can make for Children's Cover is two.

Your children are automatically covered for £25,000, or an amount equal to half the amount of cover you have chosen, if this is less.

Partial payments for Children's Cover will be limited to the lower of £25,000 or 50% of the amount we would pay to you if you made a claim.

By children we mean all of your natural children, step children, and legally adopted children, who are over 30 days old, and under age 18 at the time they are diagnosed with one of the critical illnesses covered.

If we pay a claim for Children's Cover, then your policy does not automatically end, your amount of cover remains the same, and you will still continue to be covered.

More details on Children's Cover and the illnesses and operations that are covered can be found in Section A3 of our Policy Conditions.



## Is there anything I'm not covered for?

Yes.

You are only covered for the critical illnesses listed in the 'What am I covered for' 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. More details can be found in Section A of the Policy Conditions.

If your illness or operation does not meet our definition of one of the critical illnesses we cover, we will not pay a claim. For example some types of cancer are not covered.

We'll only pay out a partial payment once for each condition under the policy.

We will not pay a critical illness claim if you die within 14 days of your critical illness being diagnosed, or having the operation. However if this happens before the end date of your policy, we will pay a death claim. If you die after the end date of your policy, we won't pay a claim. We've explained this in Section A of the Policy Conditions.

If you are diagnosed with a critical illness, we will need this diagnosis confirmed by a doctor who practices in one of a certain number of countries. We've explained this in more detail in the Policy Conditions, Section A.

If you have taken this policy out to protect a loan or a mortgage, and have chosen decreasing cover, then the amount we pay out if you die, is not guaranteed to repay the mortgage or loan in full. More details on this can be found in the Policy Conditions, Section A2(c).

## Can I apply?

You can apply if you are:

permanently living in the UK,

and

aged between 17 and 59.

If you're insuring someone else, they must meet these requirements. If you're insuring two people, they must both meet them.

You can only insure someone else if you'll suffer financially on their death, or if they are diagnosed with a critical illness. We call this 'insurable interest'. If you're insuring your spouse or civil partner, you automatically have an insurable interest.

## When does my policy start and end?

It starts on the date we ask for your first premium. It will end on the end date shown on your policy schedule.

Your policy must last for at least 5 years, and cannot last longer than 40 years.

Your policy must end before the person you are insuring reaches age 70.

If we pay a claim on this policy it will normally end (unless the claim relates to Children's Cover or we pay a partial payment). Also, if you choose to have more life cover than critical illness cover, and we pay a full critical illness claim, you will continue to be covered until the end date of your policy, for the amount of extra life cover you have chosen.

If we pay a claim because you have died, then the policy will automatically end.

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## What types of cover can I choose?

You can choose:

### Level cover

This means the amount of cover you choose is fixed when your policy starts, and doesn't change. If you choose guaranteed premiums, the premiums you pay will also remain the same. If you choose reviewable premiums, although we aim for the premium you pay to stay the same it may be changed.

If you choose level cover it won't keep up with inflation, and will buy less in the future.

### Inflation-linked cover

This means that the amount of cover you choose and the premium you pay will both 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. If you choose reviewable premiums, although we aim for the premium you pay to only be changed in line with inflation each year, it may be changed at other times.

### Decreasing cover

This type of cover is specifically designed to cover the reducing amount that you owe on a capital and interest repayment mortgage. The amount of cover you choose will go down each year. If you choose guaranteed premiums, the premiums you pay will remain the same. If you choose reviewable premiums, although we aim for the premium you pay to stay the same it may be changed.

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## How much cover can I have?

There is no minimum or maximum amount of cover, there is only a minimum premium. You, and your financial adviser, can choose the amount of cover that you need.

You can also choose to be covered for different amounts for life cover and critical illness cover, but the amount of critical illness cover cannot be more than life cover if you also choose guaranteed premiums. If you choose to have more life cover than critical illness cover, and we pay a full critical illness claim, you will continue to be covered for the amount of extra life cover you have chosen.

## How will I know if I have enough cover in the future?

It's a good idea to check your policy each year to make sure you have enough cover, as your financial or personal circumstances might change. Remember that if you choose level cover, inflation will mean that the amount of cover you choose now will buy less in the future. Your financial adviser will be able to help you with this.

## Can I change my cover?

Yes, you can change the amount of your cover or the end date of your policy at any time. Normally, this will depend on your health at the time you want to change your cover and the terms and conditions that apply at that time. But in some circumstances you can increase your cover, or extend the term of your policy without having to complete a new application. We've explained this in more detail in Section B1 of the Policy Conditions.

## How much does it cost?

This depends on the amount of cover you choose, and also your personal circumstances, for example your age and whether you smoke or not.

The minimum premium is currently £5 a month, but there is no maximum.

We'll confirm the premium you need to pay for your cover before your policy starts. This may be different to that shown on your personal quote.



## How long do I pay premiums for?

You pay a premium every month by Direct Debit until the month immediately before the end date of your policy, or until we pay out a claim if this is earlier (unless the claim relates to Children's Cover or we pay a partial payment).

You can choose to stop paying premiums at any time, but if you do then your policy will stop, you won't be covered and you won't get anything back.

**This policy has no cash in value at any time.**

## Are there any charges?

The premium you pay includes a monthly administration charge of £2.00. If you choose to include another one of the policies available in our Flexible Protection Plan, when you take out Combined Life and Critical Illness Protection, then we may reduce the administration charge for each policy that you take out.

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## Can LV= change the premium I pay?

This depends on whether you choose to have Guaranteed Premiums or Reviewable Premiums.

### Guaranteed Premiums

No. Your premium is guaranteed. This means it will not change, unless you have chosen inflation-linked cover. If you have chosen inflation-linked cover, then both your premium and your amount of cover will only increase by inflation each year.

### Reviewable Premiums

Yes. The premiums you pay are reviewable. This means they are not guaranteed to remain the same for the whole term of your policy.

When you apply for your policy we work out the premium you need to pay based on a number of assumptions. We then review these assumptions on an on-going basis, and if we need to change our assumptions then we will look at the premium you pay to see if this also needs to change. We can only change your premium for certain reasons; we can't simply change it to make up for any losses we've made, or to increase our profits.

The premium you pay will not be changed within the first 5 years of your policy starting, but after that we can change it every year.

Any change in premium will be in addition to any inflation-linked changes in your premium if you have chosen Inflation-linked cover.

If we do change your premium, we will write and let you know at least 60 days before you need to start paying the changed premium.

If we tell you that the premium you pay needs to increase, you can choose to continue to pay the previous amount instead. If you decide to do this, we will reduce the amount of cover under your policy to the amount that we work out your existing premium will pay for.

More details about when we can change your premium and the assumptions we use can be found in Section C4 of the Combined Life and Critical Illness Policy Conditions (Reviewable Premiums).

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## What if I can't pay my premiums?

We give you 60 days from the due date for you to pay a premium.

Normally, if you stop paying your premiums, your cover will stop and you won't get anything back.

However, you may be able to insure your premiums, if you wish. We call this Waiver of Premium.

Please see the section 'What is Waiver of Premium?' on page 13 for more information.



### What about claiming?

We understand that this will be a stressful time for you, your friends and family, so we've tried to make this as easy as we can.

You or your legal representatives can make a claim by telephoning 0845 6057930 (for textphone, dial 18001 first). We may record and/or monitor your calls for training and audit purposes. Or you can write to us at: Claims Department, LV=, Pynes Hill House, Rydon Lane, Exeter EX2 5SP

If you're insuring someone else, you can claim when they die, or are diagnosed with a critical illness, using the same contact details given above.

## Who gets the money when there is a critical illness claim?

Once your claim has been approved, we will pay the claim to you as the policy owner.

If you are not the policy owner, then we will not pay the claim to you – we'll pay it to the policy owner instead.

Normally, after we have paid a claim the policy will end. However if the claim we've paid relates to Children's Cover or we pay a partial payment, then your policy continues. Also, if you chosen to have more life cover than critical illness cover, and we pay a full critical illness claim, you will continue to be covered until the end date of your policy, for the amount of extra life cover you have chosen.

## Who gets the money when there is a death claim?

Who we pay out the lump sum to on death depends on how you set up your policy. We've explained each scenario in the table below.

Who's insured?	Who normally gets the money?
Just you	The money goes to your estate, or if you are not the policy owner, it will go to the policy owner.
You and someone else	The money goes to the surviving policy owner when one of the people insured dies.
Someone else	The money goes to you when they die.
Two other people	The money goes to you when either of the people insured dies.

If there are two people insured – and they both die at the same time – the older person is assumed to have died first.

Of course, if you put your policy in Trust then the money will go to the trustees, and if you've given your policy away it will go to the new owners. If you'd like more information about whether a Trust is suitable for you, please speak to your financial adviser or a solicitor.

If we pay a claim because you have died, then the policy will automatically end.

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## How is the payment from this policy taxed?

**Income Tax and Capital Gains Tax** – Claims paid from this policy will not be subject to either Income Tax or Capital Gains Tax.

**Inheritance Tax** – This depends on how you've set up your policy. Inheritance Tax only applies if we have paid a claim because you have died.

If you're insuring yourself, the lump sum we pay out when you die will normally go into your estate and Inheritance Tax could apply to the part of your estate that is worth more than £325,000. £325,000 is the limit that applies for the tax years 2010/11 to 2014/15.

But the good news is, if your estate is less than £325,000 Inheritance Tax will not apply.

Your estate is the total value of all your assets (for example your home, your savings, and your personal belongings) less any debts you owe (for example a mortgage or outstanding credit card bill). It can also include assets you've already given away. If your policy is written in Trust, then it will not normally be included in your estate.

Inheritance Tax can be pretty complicated. If you think your estate might be affected, or to find out whether a Trust is suitable for you, please speak to your financial adviser or a solicitor.

If you're insuring someone else, the lump sum we pay out will go straight to you, because you're the owner of the policy. This means that it isn't included in the estate of the person insured, so no Inheritance Tax will apply.

Of course, if you own the policy with somebody else, it's not so simple! Your financial adviser will be able to advise you on how Inheritance Tax will apply to your personal circumstances.

How much tax you pay depends on your personal circumstances. Any references we make to taxation are based on our understanding of current legislation and HM Revenue & Customs practice, which can change.

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## How much will the advice cost?

Your financial adviser will give you details about the cost. The amount will depend on the size of the premium and the length of the policy term. The cost of the advice you receive is included in your monthly premium, as it is paid for out of the charges.



### Can I change my mind?

Yes, you can cancel your policy at any time. If you cancel your policy within 30 days of it starting, we'll refund your premiums. If you cancel at any other time, your cover will end and you won't get anything back. **Your policy has no cash-in value at any time.**

To cancel your policy please call us on 0845 640 5273 (for textphone dial 18001 first). We may record and/or monitor your call for training and audit purposes. Or you can write to us at LV=, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP

## What is Waiver of Premium?

You can choose to apply for our Waiver of Premium policy at the same time as applying for this Combined Life and Critical Illness Protection policy.

If you choose to do this you will be able to insure your premiums. Then if you are unable to work because of sickness or accident this would normally mean that your premiums for this policy, and for all of the policies in your Flexible Protection Plan would continue to be paid on your behalf if you suffered an accident or illness which left you unable to work for longer than the waiting period you have chosen.

Or, if you're insuring someone else, it'll pay your premiums if the person insured is unable to work.

There are two ways we can measure whether you are unable to work; we call these Own Occupation and Work Tasks cover.

**Own Occupation cover** means we will pay the premiums on your behalf if, because of an accident or illness, you are unable to do your occupation. You would not be expected to go back to work in a different job – for as long as you are unable to do your occupation, the policy will continue to pay out.

**Work Tasks cover** means we will pay the premiums on your behalf if, because of an accident or illness, you are totally unable to carry out 3 or more tasks from a list of everyday activities.

The cover we can offer depends on your job when you take out the Waiver of Premium policy. When you ask for a quote we can tell you what type of cover is available. We will confirm this when you apply.

Full details of this cover are included in our Waiver of Premium Policy Summary and Waiver of Premium Policy Conditions

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## Could LV= cancel my policy?

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

We will cancel your policy if either you or anyone you are insuring act fraudulently, or deliberately provide untrue, inaccurate or misleading information when you apply for the policy, or when making a claim.

This means we can cancel your policy, or not pay the amount of your cover in full, 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. So, when you apply, please take care to answer all of the questions as accurately as you can.

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.

We've explained when we can cancel your policy in more detail in the Policy Conditions.

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## How do I complain?

If you have a complaint about any part of the service you receive from us, it's important that we know about it, so we can help put things right. You can let us know by calling us on 01202 292333 (for textphone, dial 18001 first). Or, you can write to us at: Box 2, LV=, County Gates, Bournemouth. BH1 2NF. Your complaint will be dealt with promptly and fairly and in line with the Financial Services Authority's requirements, and if you want more information on how we handle complaints, please contact us.

We hope that we will be able to resolve any complaint that you have, but if you aren't happy with the outcome you can refer your complaint to the Financial Ombudsman Service. If you make a complaint it won't affect your right to take legal action.

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# Further Information

## Retail Clients

We are required by our regulator, the Financial Services Authority, to categorise our customers to determine the level of protection they will receive. If you take out our Flexible Protection Plan described in this Key Features document, we will treat you as a retail client. This gives you the highest level of protection available under the Financial Services Authority rules.

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## What would happen if LV= got into financial trouble and was not able to pay out?

We've been in business since 1843, and take great care to manage our affairs sensibly. If we ever did get into financial trouble and couldn't honour our commitments, you would be entitled to compensation from the Financial Services Compensation Scheme.

The compensation you could get depends on the type of product you have. For this type of policy, the scheme covers 90% of the claim. The scheme's first responsibility is to seek continuity rather than to pay compensation.

For more information go to [www.fscs.org.uk](http://www.fscs.org.uk) or call 020 7892 7300.

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## Law

The policy is governed by the law of England as applied by the courts for that part of the UK where you live. We will always communicate in English.

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