

# **LV= LIFE INSURANCE**

## **Plan Conditions**

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

**Document reference: LVLI1**



# LV= Life Insurance

## Plan Conditions

### **Welcome to LV=, and thank you for choosing LV= Life Insurance**

These conditions and your Plan Schedule, application, any declarations you have made and any documents we send you confirming changes to your plan 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 Plan Schedule.

A handwritten signature in blue ink, appearing to read 'Mike Rogers', with a long horizontal line extending to the right.

Mike Rogers  
Chief Executive

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

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

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## 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 (other than personal terms such as “you” and “we”) so you know when they apply.

**You** means the person who applied for this **plan**, 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.

**Amount of your cover** and **amount of cover** mean the amount you are insured for (shown on your Plan Schedule). If you have applied for a decreasing amount of cover, then your amount of cover goes down each month. This is explained in more detail in Section A2.

**End date** means the date when your **plan** ends. This date is shown in your Plan Schedule.

**Plan** means these conditions, your Plan Schedule, any special provisions listed in your Plan Schedule and any documents we send you to confirm changes to your **plan** or to the **amount of your cover**. We will apply a special provision when we are not able to offer you a **plan** based on the terms detailed in these conditions.

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

**Start date** means the date when your **plan** started. This date is shown in your Plan Schedule.

**Terminal illness** means an incurable illness where, in the opinion of an attending consultant and our Chief Medical Officer, you would not be expected to live for more than 12 months from the date you are diagnosed.

## Why choose LV= Life Insurance?

LV= Life Insurance is designed to provide a one-off cash payment if you die before the **end date** of your **plan**. The cash could be used to pay off a mortgage or provide a lump sum to ease the financial worries for your family.

However if you are diagnosed with a **terminal illness**, you can ask us to advance the payment of the **amount of your cover**, so that we pay it out before you have died. If you ask us to do this, we will reduce the **amount of cover** that we pay you by 3% to reflect the fact that we are paying out before your death. We will confirm the reduced amount that we will pay at the time you ask us to pay out. Of course this does not mean you have to accept the reduced amount, and if you decide not to accept the reduced amount you can simply carry on paying premiums for your plan as normal.

When you apply for your **plan** you can choose whether you want the **amount of your cover** to stay the same all the time, or to decrease each year to cover a repayment mortgage. This is shown on your Plan Schedule.

You can choose:

### Level Cover

This means the **amount of cover** and the **premium** you pay is fixed when your **plan** starts, and doesn't change.

### Decreasing cover

This type of cover is designed to cover the reducing amount that you owe on a capital and interest repayment mortgage. The **amount of cover** will go down each month, but the premium you pay is fixed when your **plan** starts and doesn't change. The **amount of cover** is not guaranteed to repay the amount outstanding under your mortgage.

These types of cover are explained in more detail in Section A2.

## Section A – Your LV= Life Insurance Plan

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

This **plan** will pay out under the section 'What's covered' below as long as you have paid the **premiums** up to the date of your death or if earlier the date you are diagnosed with a **terminal illness**.



#### What's covered

##### Death

We will pay the **amount of your cover** if you die between the **start date** and the **end date** of your **plan**. Once we have paid a death claim on this **plan**, it will automatically end.

##### Terminal illness up to 12 months before the end date of your plan

If you are diagnosed with a **terminal illness** between the **start date** and 12 months or more before the **end date** of your **plan**, you can ask us to advance the payment of the **amount of your cover**, so that we pay it out before you have died. However if we pay a claim for **terminal illness** we will reduce the **amount of cover** we pay out to reflect the fact that we are paying out on your **plan** before you have died. By doing this it allows us to keep your **premiums** lower than if we offered to pay the full **amount of cover** for a **terminal illness** claim.

Once we have paid a **terminal illness** claim on this **plan**, it will automatically end.

This is explained in more detail in Section A5.

##### All causes of death

We will pay out whatever the cause of death.

##### Travelling abroad

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

If you are diagnosed with a **terminal illness**, we will pay your claim as long as 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, United Kingdom (UK) or United States of America (USA).



## What's not covered

### Terminal illness in the last 12 months of your policy

If you are diagnosed with a **terminal illness** less than 12 months before the **end date** of your **plan**, we will not pay a claim for **terminal illness**. However if you die before the **end date** of your **plan**, we will pay out the **amount of your cover**. If you don't die before the **end date** of your **plan**, your **plan** ends, and you get nothing back.

### 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 **plan** 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, when they claim, or when they apply to re-start their **premiums** (see Section B3). More detailed information on when we can cancel the **plan** can be found in section B6.

## A2 What are the types of cover available?

There are two different types of cover available. You will find which type of cover you have on your Plan 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 **plan**. It won't keep up with inflation and you may be able to buy less with it in the future.

Also the **premium** you pay each month will not change.

### A2 (b) 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. The **amount of your cover** goes down each month, but the **premium** remains the same.

The **amount of cover** that would be paid out if you were to die is based on the amount that would be outstanding on a typical residential capital and interest repayment mortgage using the fixed monthly interest rate shown on your Plan Schedule, assuming that:

- The amount of the mortgage was the same as the initial **amount of cover** shown on your Plan Schedule

and

- The mortgage started on the **start date** and was due to end on the **end date** shown in your Plan Schedule

Of course if the amount of interest you pay on any mortgage you are covering with this **plan** is more than the rate shown in your Plan Schedule, then the **amount of cover** paid out when you die may be less than you owe on your mortgage. It may also be less if you change your mortgage, or if the amount you originally borrowed, or the number of years you borrowed it over, are different to your **amount of cover** or the term of your **plan**.

To help you keep track of how much your **amount of cover** has gone down by, we'll send you a statement each year, so you'll know where you stand. If you want to know how much your **amount of cover** is at any other time, please let us know and we'll be happy to help.

Please see Section A6 for more information on how we work out what to pay in the event of a **terminal illness** claim.



### Example

Mike took out a LV= Life Insurance plan with an initial amount of cover of £100,000, for a term of 25 years, to cover his capital and interest repayment mortgage, of £100,000 over 25 years. He was paying an interest rate of 5%. His Plan Schedule shows that his initial amount of cover will go down each month, using a fixed monthly interest rate of 7%.

15 years after taking out his plan, Mike dies.

Therefore the amount of his cover at that time had gone down from £100,000 to £60,300.

So we pay £60,300.

Mike's mortgage by the time he had died had gone down to £54,800.

As you will see, Mike's plan provided more money than the amount outstanding on his mortgage.



In this example the rate of interest Mike was paying on his mortgage was lower than the rate used on his plan, so the amount he owed on his mortgage was less than the amount of his cover. But this may not always be the case. There may be cases where the amount of cover paid out on death may be less than the mortgage it is covering. In this example this would have happened if the rate of interest Mike was paying on his mortgage was more than the rate shown on his Plan Schedule.

The following example helps to illustrate this.



### Example

Sarah took out a LV= Life Insurance plan with an initial amount of cover of £150,000, for a term of 25 years, to cover her capital and interest repayment mortgage, of £150,000 over 25 years. Her Plan Schedule shows that her initial amount of cover will go down each month, using a fixed monthly interest rate of 7%. However she was paying an interest rate on her mortgage of 9%.

10 years after taking out her plan, Sarah dies.

Therefore the amount of her cover at that time had gone down from £150,000 to £117,200.

So we pay £117,200.

Sarah's mortgage by the time she had died had only gone down to £123,100.

As you can see the plan provided less money than the amount outstanding on her mortgage. This is because the interest rate she was paying on her mortgage was greater than the rate of interest rate used on her plan.



So it's really important that you check to make sure that the interest rate you are paying on your mortgage is not greater than the interest rate shown on your Plan Schedule. To help with this, we'll send you a statement each year reminding you of the interest rate used on your plan, and also the amount that your cover has reduced to. You can then check this against your mortgage statement.

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### **A3 – How much cover can I have?**

We have limits on the total **amount of cover** you can have. These limits apply for all of the LV= Life Insurance **plans** that you have. They do not apply to any other plans or policies you have with LV=. They only apply to your LV= Life Insurance **plans**.

The limits are:

£500,000 if you are aged 55 or under when your **plan** starts

£300,000 if you are aged 56 to 65 when your **plan** starts

£200,000 if you are aged 66 or older when your **plan** starts

When you make a claim, if the total **amount of cover** for your LV= Life Insurance **plans** is more than the limits shown above, the most we will pay is the relevant limit shown above. If the total **amount of cover** is more than the limit shown above, when we pay your claim we'll refund the **premiums** you have overpaid.

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### **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](http://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 **plan**

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 **plan** 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 – How to make a claim if you are diagnosed with a terminal illness

When you ask us to pay out the **amount of your cover** because you have been diagnosed with a **terminal illness**, we will ask you to complete a claim form. This allows us to collect the core information we need about your 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 quickly as possible. If you need help completing the form, please let us know.

We will also need a report from the doctor who has diagnosed you as having a **terminal illness**.

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 will be 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 or to confirm that you are suffering from a **terminal illness**. For example a report from the doctor who made the diagnosis and reports on any tests carried out.

We will pay for the cost of all medical reports and other evidence we ask for.

You may not be covered if any of the information we ask for is not provided, unless there is a good reason for this. This could mean that we would refuse to pay your claim.

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.

It is important to understand that you still need to keep paying your **premiums** whilst we are processing your **terminal illness** claim. Once we agree to pay the claim, we will refund any **premiums** that you've paid between the date you were diagnosed with a **terminal illness**, and the date that we pay your claim.

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## A6 – How we work out how much to pay out for a terminal illness claim

If you ask us to pay out your **amount of cover** because you have been diagnosed with a terminal illness, we will reduce the amount we pay out to reflect the fact that we are paying out on your **plan** before you have died.

If you ask us to pay a terminal illness claim, we will let you know the reduced **amount of cover** we will pay. You can choose not to accept the reduced **amount of cover**, and carry on paying **premiums** for your **plan**. If you die before the **end date** of your **plan** we will pay the **amount of cover** in full. If you don't die before the **end date** of your **plan**, then your **plan** ends, and you get nothing back.

If you have level cover we will reduce the **amount of your cover** by a fixed percentage. For your **plan** this is 3%.



## Example

### Level cover

Let's assume Phillip took out a plan for a term of 25 years, with level cover of £100,000. However 2 years before the end date of his plan he is diagnosed with a **terminal illness**, and asks us to pay out his **amount of cover**. We tell him that we will reduce the **amount of cover** by 3%. So we offer to pay a reduced amount of £97,000.

$$£100,000 \times 3\% = £3,000$$

$$£100,000 - £3,000 = £97,000$$

However Phillip decided not to accept the reduced amount, as he was using his plan to cover an interest only mortgage, and needed the full amount covered to be paid to clear his mortgage. Sadly Phillip died 7 months later, we paid out the full £100,000 (the amount of his cover).



If you have decreasing cover we do a different calculation. This is because your **amount of cover** goes down each month. When you are diagnosed with a **terminal illness**, this means it is assumed that you will not live for more than 12 months. So we take the **amount of cover** at the date you are diagnosed with a **terminal illness**, and the amount that it would have reduced to 12 months after the date you are diagnosed, and take the average of these two amounts. We do this because we cannot be absolutely sure what the **amount of cover** would be when you die. We then reduce this average figure by 3%.



## Example

### Decreasing cover

Let's assume Patricia took out a plan for 25 years, with decreasing cover. The **amount of cover** for her plan was £100,000 when her plan started, and decreased each month using an interest rate of 7%. After 15 years she was diagnosed with a **terminal illness**, and asks us to advance the payment of **the amount of cover**. At the time she was diagnosed with the terminal illness her amount of cover had decreased to £60,270. In a further 12 months her cover would have decreased to £55,900.

So we worked out the average, which was £58,085.

$$£60,270 + £55,900 = £116,170$$

$$£116,170 \div 2 = £58,085$$

We then reduced this figure by 3%

$$£58,085 \times 3\% = £1,743$$

$$£58,085 - £1,743 = £56,342$$

So we offered to pay Patricia £56,342, rather than the £60,270 that her cover had decreased to at the time she was diagnosed with a terminal illness.

Of course Patricia could decide not to accept this reduced figure, and carry on paying her premiums. However if she did die 12 months after being diagnosed, her cover would have reduced to £55,900 and she would have paid another years worth of premiums.



Once we agree to pay your **terminal illness** claim, we will also refund any **premiums** that you have paid between the date you were diagnosed with a **terminal illness**, and the date we pay your claim.

## A7 – Who we'll pay the claim to

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

you,

or

if you have died, 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 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 **plan** to be put in trust, we will pay the claim to the trustees.

or

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

Once a claim has been paid, your **plan** will end, and we will not have any further liability under this **plan**.

We normally pay all claims by cheque.

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## Section B – 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 **plan**.

### B1 Paying your premiums

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

Your **premiums** are guaranteed not to increase.

You must pay your **premiums** every month up to and including the **premium** which is due at least one month before the **end date** of your **plan**. Your Plan Schedule shows how long you must pay **premiums** for. For example if your **plan** ends on the 31st December and you pay your **premiums** on the 15th day of every month, the last premium you pay would be on 15th November.

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### B2 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 **plan** stops immediately, and we will cancel it. We will not pay anything to you if this happens. If we cancel your **plan**, we'll let you know.

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### **B3 Re-starting your premiums**

If your **plan** has stopped because you didn't pay a **premium**, you can ask us to start it again. You can do this within six months of the first unpaid **premium**. So that we can restart your **plan**, 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 **plan**, for example if your health has worsened since you originally took out your plan. In the event that this happens, we will explain our decision to you and the reasons for it. Please note as the plan has actually ended we are not obliged to restart it for you.

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### **B4 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 Plan Schedule.

We will need evidence of your age before we will pay a claim on your **plan**. We will accept your original birth certificate or passport as evidence, but not photocopies. If you have died, we will ask for this information from the person making the claim, as well as asking for an original death certificate.



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 Plan 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 Plan 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 Plan 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 (or the person making the claim) what evidence we need, and why we need it.

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### **B5 When you can cancel your plan**

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

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

To cancel your **plan**, simply call us on 0845 6405273 (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

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## **B6 When we can cancel your plan**

Once your **plan** 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 B2.

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.

When you apply you will be asked to check that the information you have provided in answers to the questions we ask you, is correct. It's really important that you check that the information is correct, as we rely on the information to set up your **plan**.

If, when you apply, we telephone you to ask you some further questions about your application, we will send you a summary of any questions we ask and the answers you give. Again it's really important that you check all the information is correct.

We will cancel your **plan** if you act fraudulently, or deliberately provide untrue, inaccurate or misleading information when you apply for the **plan**, when making a claim, or if you apply to re-start your **premiums** (this is explained in Section B3).

This means we will cancel your **plan** 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 **plan**, 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

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

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## **B7 When your plan ends**

On the **end date** shown in your Plan Schedule, your **plan** 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 **plan**, it automatically ends, and we are not liable for any further claims.

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## **B8 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 die, such as your children, or your mortgage lender.

You can do this by transferring ('assigning') your **plan** 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 trust deed, or deed of assignment 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 **plan** 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.

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## **B9 The law that applies to your plan**

This **plan** is governed by the law of England and the courts for that part of the UK where you live. We will always communicate in English.

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