



LV= LIFE INSURANCE

Policy Summary



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In this summary, we try to help you by giving you the 'key facts' of the plan. It doesn't set out the full terms and conditions – you'll find these in our 'Plan Conditions' document.

LV= Life Insurance is provided by Liverpool Victoria Friendly Society Limited, which is part of the Liverpool Victoria group of companies.

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

What is 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.

It is aimed at people who don't drink a lot, don't smoke a lot, and are generally healthy. Of course this doesn't mean that you can't apply if you aren't healthy, do drink a lot, or smoke a lot. It just means that you may have to pay a higher premium, or you may not be accepted for this plan. We have a range of other protection plans, so if you aren't accepted for this plan when you make a claim, or apply to re-start your premiums. We may still be able to insure you under one of our other protection policies.

You can apply for LV= Life Insurance either on-line or over the telephone.



What am I covered for?

You are covered if you die before the end date of your plan. The plan pays out a cash lump sum (your amount of cover), that can be used as you wish.

You can also ask us to pay the amount of cover if you are diagnosed with a terminal illness. However we will reduce the amount of cover we pay out to reflect the fact that we are paying out on your plan even though you haven't died. We currently reduce the amount of cover by 3%. Please see section A6 of the Plan Conditions for more information on this.



Is there anything I'm not covered for?

Yes.

If you are diagnosed with a terminal illness within 12 months of the end date of your plan, we won't pay out your plan early. More details can be found in Section A1 of the Plan Conditions.

You are covered if you die anywhere in the world. However if you ask us to pay out the amount of cover early because you are diagnosed with a terminal 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 Section A1 of the Plan Conditions.

If you have taken this plan out to protect a loan or a mortgage, and have chosen decreasing cover, then the amount we pay out if you die isn't guaranteed to repay the mortgage or loan in full. More details on this can be found in Section A2(b) of the Plan Conditions.

We may not pay a claim, and could cancel your plan if we find that you have deliberately withheld information from us, or intentionally provided us with false information, or lied to us when you applied for your plan when you make a claim, or apply to re-start your premiums. More information on this can be found in Section B6 of the Plan Conditions.

Can I apply?

You can apply if you are permanently living in the UK (not including Channel Islands and Isle of Man) and are aged between 17 and 69.



How much cover can I have?

There is no minimum amount of cover; there is only a minimum premium.

If you are aged 55 or under when your plan starts the most cover you can apply for is £500,000.

If you are aged 56 to 65 when your plan starts the most cover you can apply for is £300,000

If you are aged 66 or more when your plan starts the most cover you can apply for is £200,000

It's important to understand that these limits apply across all your LV= Life Insurance Plans. So if you already have a plan, and are applying for another one, the limits apply for the amount of cover under all these plans added together.

They do not apply to any other plans or policies you have with LV=. They only apply to your LV= Life Insurance plans.

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



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 £5 a month, but there is no maximum.

We'll confirm the premium you need to pay for your cover before your plan starts.

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

Your personal quote will show you how much you will pay in total in premiums, if you keep paying them until the end date of your plan.

Of course if we pay a claim for your plan, then your plan will end, and you won't have to pay any more premiums.

This plan has no cash in value at any time.

When does my plan start and end?

It starts on the date we ask for your first premium. It will end when a claim is paid or on the end date shown on your Plan Schedule.

You cannot take out a plan that lasts for less than five years, or more than 45 years.

Your plan must end before you reach age 85.

What types of cover can I choose?

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. This means it won't keep up with inflation and may buy less in the future.

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.

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

It's a good idea to check your plan each year to make sure you have enough cover, as your financial or personal circumstances might change. Remember that inflation will mean that the amount of cover you choose now may buy less in the future.

Can I change my cover?

If you wish to change the amount of cover, the end date of your plan, or change the type of cover you have, you'll need to apply for a new plan.

We understand that when times are hard, you might be finding it difficult to keep paying your premiums. If this happens, please let us know, as we may be able to reduce your amount of cover, or shorten the term of your plan for you. This means your premium will be lower.

Of course it's important to realise that if you reduce your amount of cover, or shorten the term, and you wish to increase them again in the future, you'll have to apply for a new plan.

What if I can't pay my premiums?

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

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



What about claiming?

We understand that this will be a stressful time for 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 0800 028 6333 (for textphone, dial 18001 first). Calls may be recorded and/or monitored for training and audit purposes. Or they can write to us at: Claims Department, LV=, Pynes Hill House, Rydon Lane, Exeter EX2 5SP

Who gets the money when there's a death claim?

Unless you put your plan in trust the money will normally go to your estate, which may be subject to Inheritance Tax. Please see the section on 'How is the payment from this plan taxed?', for more information.

Of course, if you put your plan in trust then the money will go to the trustees, and if you've given your plan 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 a financial adviser or a solicitor.

Who gets the money when there's a terminal illness claim?

Once your claim is approved, we will pay the claim to you as the plan owner.

Of course, if you put your plan in trust then the money will go to the trustees, and if you've given your plan 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 a financial adviser or a solicitor.

How is the payment from this plan taxed?

Income tax and capital gains tax – Claims paid from this plan will not be subject to either income tax or capital gains tax.

Inheritance tax

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.

But the good news is, if your estate is less than £325,000 inheritance tax will not apply. Remember that £325,000 is the amount that applies for the tax year 2009/10. For 2010/11 this will increase to £350,000. It normally increases every tax year.

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 plan 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 a financial adviser or a solicitor.

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.

Could LV= cancel my plan?

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 plan if you act fraudulently, or deliberately provide untrue, inaccurate or misleading information when you apply for the plan, or when making a claim. This means we can cancel your plan, 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.

We've explained when we can cancel your plan in more detail in Section B6 of the Plan Conditions.



Can I change my mind?

Yes. You can cancel your plan at any time. If you change your mind within 30 days of your plan 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 plan has no cash-in value at any time.**

To cancel your plan, simply 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.

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. If you want more information on how we handle complaints, please contact us.

We hope that we will be able to resolve any complaint 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.

What would happen if LV= got into financial trouble and wasn't 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 plan, the scheme covers the first £2,000 and at least 90% of the rest. For more information go to www.fscs.org.uk or call 020 7892 7300.

From 1 January 2010 this will change to 90% of the total claim. For life insurance, the scheme's first responsibility is to seek continuity of cover rather than to pay compensation.

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LV= and Liverpool Victoria are registered trade marks of Liverpool Victoria Friendly Society Limited (LVFS) and LV= and LV= Liverpool Victoria are trading styles of the Liverpool Victoria group of companies. LVFS is authorised and regulated by the Financial Services Authority, register number 110035. LVFS is a member of the ABI, AFS and ILAG. Registered address: County Gates, Bournemouth BH1 2NF. Tel: 01202 292333

STOP PRESS

The inheritance tax nil rate band will remain at £325,000 for 2010/11.

In his pre-budget report on 9 December 09, Alistair Darling went back on the previously announced increase to the nil rate band for 2010/11.

We drafted some of our documents before this announcement was made. This means that the £350,000 nil rate band we've quoted is now wrong. The nil rate band for inheritance tax purposes will be £325,000 for 2010/11.

Please consider this when you're thinking about inheritance tax.

