

Income Protection Reviewable Premiums

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Policy Summary

This summary gives you an overview of our Income Protection - Reviewable Premiums product. For full details, including all the terms and conditions, please read the LV= Income Protection Reviewable Premiums Policy Conditions. In this summary we assume that you are the person insured and the policy owner.

Income Protection - Reviewable Premiums is provided by Liverpool Victoria Friendly Society Limited, which is part of LV=.

Who are LV=?

LV= are an insurance undertaking, which means we're the company that provides your insurance cover, and are responsible for paying any valid claim made on your policy. It's up to you to decide whether this policy is right for you; we don't make any personal recommendations to take out this cover. If you have any doubts if this cover is right for you please speak to a financial adviser. LV= is a registered trademark of Liverpool Victoria Friendly Society Limited.

What am I covered for?

Income Protection is designed to pay you a regular income if you are unable to work due to sickness or accident.

There are two ways we measure whether you're unable to work.

- **Own occupation cover** pays out if, because of an accident or sickness, you're unable to do the main tasks of your occupation and aren't doing any other paid or unpaid work. By main tasks we mean the things which can't reasonably be left out of your role, by you or your employer. You aren't expected to go back to work in a different occupation - for as long as you are unable to do your normal occupation; the policy will continue to pay out.

We'll also use this measure if you claim within the first 12 months from:

- Becoming unemployed
- Becoming a homemaker
- Taking a career break

If you have been out of work for longer than 12 months when you claim we'll use the measures under homemaker cover which are detailed below to determine whether we can pay your claim.

- **Homemaker cover** pays out if because of an accident or sickness you're unable to prepare a meal or do basic housework. We aim to pay all genuine claims for homemakers, so we review claims as fairly as possible.

More details on own occupation cover and homemaker cover can be found in section A of the Policy Conditions.

In all cases we'll confirm which cover we're able to offer, before your policy starts.

- **Travelling abroad** - We'll pay a claim after your waiting period, if you're in one of a number of countries listed in section A of the Policy Conditions. If you are anywhere else in the world, we would only pay a claim for a maximum of 26 weeks. This is explained in more detail in section A of the Policy Conditions.

- **Sick Pay Guarantee** - As part of our sick pay guarantees we're able to offer special conditions to people who, at the time they become unable to work, are:

A dentist, doctor or surgeon and whose sick pay entitlements match the NHS sick pay arrangements and registered with the General Medical Council or General Dental Council, with a licence to practice in the UK. More details can be found in Appendix B of the Policy Conditions.

Teachers whose sick pay entitlements match those set out in:

- The Conditions of Service for School Teachers in England and Wales (sometimes referred to as the 'Burgundy Book')
- The Department of Education, Teachers Terms and Conditions for Northern Ireland.
- The Scottish Negotiating Committee for Teachers (SNCT) handbook of Conditions of Service for School Teachers in Scotland

More information can be found in the in the appendix for special conditions for your particular occupation, which is at the back of the Policy Conditions.



- **Fracture cover** - We'll pay a lump sum if you're diagnosed with a specified bone fracture. This is in addition to any payments we're paying you if you're unable to work. The amount we'll pay depends on the type of fracture you suffer and not all types of fracture are covered. We'll only pay for one fracture diagnosed within a 12 month period. If you suffer more than one fracture at the same time we'll only pay for the fracture with the highest amount of fracture cover. If you're not the policy owner we'll pay this money to the policy owner instead. The amounts we'll pay for fracture cover are fixed when your policy starts and won't increase as the cost of things go up in the future. This means you'll be able to buy less with this money in the future. More details can be found in section B13 of the Policy Conditions.

- **Death** - If you die before the end date of your policy we'll pay a fixed lump sum of money up to a maximum of £10,000. The amount we'll pay depends on when your policy started.

We'll pay:

- £5,000 if you die within four years of the policy start date

Or

- £10,000 if you die four or more years after the policy start date.

If you are also the policy owner we'll pay the money to your estate, and it will form part of your estate for tax purposes. This means the money may be subject to inheritance tax under current legislation, depending on your personal circumstances. If you are not the policy owner we'll pay this money to the policy owner instead. Please remember the amount we'll pay for death benefit is fixed when your policy starts and won't increase as the cost of things go up in the future. This means you'll be able to buy less with this money in the future. More details can be found in section B14 of the Policy Conditions.

- **Payment of premiums during unemployment** - If you become unemployed through no fault of your own (we call this involuntary unemployment), you can claim for up to six months premiums to be paid by us. This means we'll take care of those premiums for you, you don't need to pay them and your insurance will stay in place. You can only claim for a maximum of six months premiums to be paid by us during the whole period that your policy lasts for. You must inform us immediately if you return to work, so we don't continue to pay your premiums and use up your 6 month allowance. There is an initial exclusion period for this benefit of 90 days, which means if you become unemployed within the first 90 days of your policy starting you cannot claim for any of your premiums that relate to that whole period of unemployment to be paid by us. More details can be found in section B15 of the Policy Conditions.

- **Parent and child cover** - We'll pay a lump sum equal to 6 times your amount of cover to you if your child is diagnosed with a specified illness. This is in addition to any payments we're paying you if you're unable to work. A full list of illnesses covered can be found in appendix D in the Policy Conditions. We'll only make one payment per child, per policy up to a maximum £25,000. If you have more than one income protection policy with us we'll still only pay up to £25,000 in total. More details about parent and child cover can be found in section B16 of the Policy Conditions.

What's not covered under this policy?

- **Unemployment** - We'll only pay out if you're unable to work due to sickness or an accident. We won't pay out if the reason you're not working is because you have chosen not to work or have become unemployed.

If you're already unemployed at the time you have an accident or sickness that prevents you from working, then you're still covered. We explain this in section A of the Policy Conditions.

If you've been made involuntarily unemployed you may be able to claim for up to six months premiums to be paid by us. More information about this can be found in section B15 of the Policy Conditions.

- **Sickness or accident and still working** - You cannot generally claim under this policy if you are sick or injured and are still able to work in your normal occupation or are doing other work.

If you have homemaker cover you can't claim under the policy if you are still able to prepare a meal or do basic housework. Although, if you have own occupation cover, we may be able to offer some support if you return to work part time or in another occupation.

If you have more than one job it's worth checking that you're covered for both, otherwise you may find you won't be covered if you're able to do one job, but not the other.

If you're still able to work when making a claim for fracture cover or parent and child cover this will not affect your claim.

- **You don't follow your doctor's advice or refuse treatment** If we have started to pay a claim, or have agreed to make payments to you to help you return to work, and you choose not to follow the advice of your doctor, or refuse to follow any reasonable treatment request, we will stop making those payments to you. We will only do this if the reason you aren't following medical advice or refusing treatment is unreasonable. We explain when we can stop paying a claim in section B3 of the Policy Conditions, and in sections B8, B9 & B10 of the Policy Conditions if we are making payments to you under those sections.



How much cover can I have?

The most cover you can have is 60% of your annual earned income before tax.

This doesn't include any income from savings or investments.

If you own a limited company then your income can also include dividend income from your business. This is as long as the dividend income is clearly related to your work activities and is paid from current year annual profits net of tax. For more information please see the definitions section for income in the Policy Conditions.

The maximum amount of cover you can apply for is £20,833 a month for level cover and £14,583 for inflation-linked cover.

What's the maximum amount of income you'll pay out?

The maximum amount of cover you can have is 60% of your annual earned income before tax. We then take off other payments you may be receiving, such as the payments from any other Income Protection, or accident and sickness policies that you may have. This is the maximum monthly claim amount we can pay you.

When we pay a claim we check to see if your amount of cover is more than the maximum amount we could pay you. Because of this, if your income has dropped since your policy started, you may find the amount we pay you is less than the amount of cover you are paying for. We won't refund any premiums, so it is important you check each year to make sure your amount of cover doesn't exceed 60% of your income. If it does by less than 10%, we'll ignore the overinsurance and we'll pay the full amount you're insured for. However, if it's over 10% please contact us so we can look to reduce your cover, so you don't end up paying for cover you can't claim on.

We explain the maximum amount we can pay you in more detail in sections B4 and B5 of the Policy Conditions.

If you're unemployed or on a career break at the time you make a claim the maximum we'll pay out could be affected, this will depend on how long you've been unemployed or on a career break. We explain this in section C4 of the Policy Conditions.

We will never pay you more than your amount of cover. We also don't take into account any state benefits you may be entitled to if you are unable to work.

How will the payments from this policy affect state benefits?

We won't reduce payments from this policy to reflect any state benefits you may be entitled to. However, payments made from this policy may affect the amount of state benefits you might receive. For example, payments from this policy will reduce your Universal Credit entitlement, unless you're using the money to fund your regular mortgage payments.

When you make a claim, we'll provide you with support to work out how your policy might affect state benefits at that time, confirm your mortgage details and help you to decide the most appropriate way for us to make policy payments. We explain this in section B6 of the Policy Conditions.

What is the £1500 Benefit Guarantee?

We understand that your income can go up and down. So when you come to make a claim you may find that your amount of cover is more than the maximum amount of cover you're allowed to have - 60% of your income. If this happens we'd usually reduce the amount we pay you to the maximum amount.

When you claim, we guarantee we'll provide you with at least £1,500 a month, less other income you're receiving (such as payments from accident and sickness policies). If your amount of cover is still less than this amount we'll simply pay you your amount of cover. We'll never pay you more than your amount of cover.

To qualify for the guarantee, you must have been working at least 16 hours a week if you were self employed, or 25 hours a week if you were employed, at the time you became unable to work due to accident or sickness.

Please note the aim of the benefit guarantee is to protect you against a genuine drop in your income after you take out your insurance. If you weren't earning enough when you set up your insurance to support the amount of cover you chose, then we reserve the right not to apply the benefit guarantee.

More information on the benefit guarantee can be found in section B7 of the Policy Conditions.

For doctors and surgeons we offer you a £3000 benefit guarantee instead. This is explained in more detail in appendix A at the back of the Policy Conditions.

How long do I have to wait after making a claim before my payments start?

You can choose when your payments start after you've become unable to work, we refer to this a 'waiting period'. You can pick a 3, 6, or 12 month waiting period, and you may also be able to pick 1 or 2 months, depending on your job.

The longer the waiting period you choose the lower the premium for your cover is. However, you will have to wait longer after you become unable to work, before we start making payments to you.

If you're one of the following at the time you become unable to work:

- A dentist, doctor or surgeon and whose sick pay entitlements match the NHS sick pay arrangements and registered with the General Medical Council or General Dental Council, with a licence to practice in the UK
 - A teacher whose sick pay entitlements match those set out in:
 - The Conditions of Service for School Teachers in England and Wales (sometimes referred to as the 'Burgundy Book')
 - The Department of Education, Teachers Terms and Conditions for Northern Ireland
 - The Scottish Negotiating Committee for Teachers (SNCT) handbook of Conditions of Service for School Teachers in Scotland
- and

You've chosen a waiting period of 12 months

We may be able to pay your claim early as part of our sick pay guarantees. More information can be found in the appendix for special conditions for your particular occupation, which is at the back of the Policy Conditions.

For claims relating to fracture cover, death benefit, payment of premiums during unemployment and parent and child cover the waiting period will not apply.

For details of payments for fracture cover claims see section B13, for death benefits claims see section B14 and parent and child cover see section B16 of the Policy Conditions.

Can I apply?

You can apply if you're:

- Permanently living in the UK
- A UK resident for at least the last 2 years
- Aged between 17 and 59
- Registered with a UK doctor for at least 2 years.

If you're insuring someone else, they must meet these requirements.

You can only insure someone else if you'll suffer financially if they are unable to work because of sickness or accident. We call this 'insurable interest'. If you're insuring your spouse or civil partner, you automatically have an insurable interest.

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's no maximum.

We'll explain your premium 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 (less your waiting period). So if you have a waiting period of three months, the last premium you'll pay will be four months before the end date of your policy.

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.

When does my policy start and end?

When you take out your policy the start date and end date are shown in your Policy Schedule.

Your policy needs to last for a minimum of 5 years and must end before you reach 70 years old.

It automatically ends if you die. If we are paying a claim when your policy ends, the payments will stop. Your policy will still offer a death benefit, please see section B14 of the Policy Conditions for details.

What types of cover can I choose?

There are two types of cover you can choose from.

- **Level cover** - This means the amount of cover you choose is fixed when your policy starts, and doesn't change regardless of inflation, so you'll find your cover will be worth less in the future than it is now. Whilst we aim for the premium you pay to stay the same, it may change, as the premiums for this policy are reviewable.
- **Inflation-linked cover** - This means that your amount of cover will go up each year in line with inflation (which we measure using the Retail Prices Index, known as RPI). The premium will increase in line with inflation multiplied by 1.5. 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, as the premiums for this policy are reviewable.

If we are paying a claim when an increase is due we will limit the increase to a maximum of 12% for that year. More information on inflation-linked cover can be found in section C1 of the Policy Conditions.



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.

It is important you check each year to make sure your amount of cover doesn't exceed 60% of your income. If it does please contact us, so we can look to reduce your cover, so you don't end up paying for cover you can't claim on.

Remember that if you choose level cover, inflation will mean that the amount of cover you choose now will be worth less in the future. Your financial adviser will be able to explain this in full.

Can I change my cover?

Yes, you can apply to change the amount you are covered for, your waiting period or the end date of your policy at any time. The choices available to you will depend on your health and the occupation that you do at the time you want to change your cover and the terms and conditions that apply at that time. We explain this in section C3 of the Policy Conditions.

In some circumstances you may be able to increase your amount of cover without having to complete a full application form or provide us with details of your health. We've explained when you can do this in section C2 of the Policy Conditions.

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.

You can choose to insure your premiums, by choosing to also apply for our Waiver of Premium policy. This policy is designed to pay the premiums on your behalf if you suffered an accident or sickness which left you unable to work for longer than your waiting period. Full details of this cover are included in our Waiver of Premium Policy Summary and Policy Conditions. If you'd like more information about this and whether it's right for you, please speak to a financial adviser.

If you've been made involuntarily unemployed you may be able to claim for up to six months of your premiums to be paid by us, see section B15 of the Policy Conditions for more details.

Can LV= change the premium I pay?

Yes. The premiums you pay for this policy 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.

Your premium won't change in the first five years of your policy starting, but after that we can change it every year.

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

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

This is explained in more detail in section C8 of the Policy Conditions.

What happens to my cover if I stop working?

It's important to tell us if you stop working. This is because we may use the measures described under homemaker cover when assessing your claim and the amount we pay may be reduced to £1,500 a month.

If you tell us when you stop working we may be able to reduce the premium you pay, to reflect your reduced cover. If you don't tell us, your premium will stay the same so this means you could end up paying for cover that you can't claim for, as the maximum amount we'll pay is £1,500 and you will not be eligible for a refund.

If you're a doctor or surgeon we have different options that allow you to take a sabbatical break, whilst leaving your cover in place. Please see appendix A at the back of the Policy Conditions for more information.

What about claiming?

If you need to claim you should let us know straight away. If you don't this may result in a delay to your payments. We explain more about this in the Policy Conditions.

To make a claim contact us on:

T: 0800 756 5869 (for textphone dial 18001)
E: healthclaims@LV.com

Or you can write to us: LV= Claims, Emperor House, Grenadier Road, Exeter Business Park, Exeter EX1 3LH.

Calls to and from LV= may be recorded and/or monitored for training and audit purposes.

What happens if I become sick again after a claim?

If this happens within the first six months of you going back to work then we may be able to start paying you again straight away, without you having to wait until the end of your waiting period. We call this a 'linked claim'.

We will only do this if the reason you're unable to work is the same as it was for your original claim and you're still working in your original occupation. If the reason you're unable to work isn't the same, or you're working in a different occupation then you'll need to start the claim process again. This means you'd need to wait for your full waiting period before we started to pay you're a claim again.

We explain this in more detail in section B11 of the Policy Conditions.

What happens if I have made a claim and recovered but I'm only well enough to return for a reduced number of hours, or have to go into a different job?

Normally, once you recover and are able to work again, we will stop making payments to you.

However if you have own occupation cover then we may be able to continue to pay you a proportion of the amount of your cover, if you have been claiming on your policy, but you haven't received enough to return fully to your old job, or you have to return to a different job, for a reduced income.

Unfortunately we won't be able to do this if you have homemaker cover.

More details about how we work out how much to pay and the limits that apply can be found in sections B9 and B10 of the Policy Conditions.

How is the payment from this policy taxed?

Claims paid from this policy will not be subject to income tax or capital gains tax.

This is based on our understanding of current legislation and HM Revenue & Customs practice, which can change.

Could LV= cancel my policy?

To protect ourselves and our customers against the effects of financial crime, we may cancel your policy, or not pay the full amount of cover if either you or anyone you are insuring acts fraudulently, or deliberately provides untrue, inaccurate or misleading information when applying for the policy, or when making a claim. For example we might reduce the amount we pay out, or cancel your policy if we determine that you would have known, or ought to have reasonably known, the true answer to a question we asked you, but have provided a false answer. Please take care to answer all of the questions as accurately as you can.

If you apply for your policy online, or we call you to ask some further questions about your application we'll send you a summary of the questions we ask and the answers given. Please ensure when you get this you check that everything is correct. If we've missed something it's really important to let us know, as we rely on this information to set up your policy.

More information on when we can cancel your policy can be found in sections C11 & C12 of the Policy Conditions.

Can I change my mind?

You can cancel your policy at any time. If you cancel your policy within 30 days of it starting, we will refund any premiums you've already paid. If you cancel it at any other time, you won't be refunded any premiums you've paid. Your policy has no cash-in value at any time.

To cancel your policy contact us on:

T: 0800 678 1906 (for textphone dial 18001)

E: ebprotection@LV.com

Or you can write to us: LV=, Emperor House, Grenadier Road, Exeter Business Park, Exeter EX1 3LH.

Calls to and from LV= may be recorded and/or monitored for training and audit purposes.

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 0800 678 1906 (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 Conduct Authority's (FCA) requirements. For more information on our complaints process visit LV.com/complaints.

We hope that we will be able to resolve any complaint that you have. If you're unhappy with the resolution of your complaint, the Financial Ombudsman Service may be able to help you free of charge but you'll need to contact them within six months of receiving our final response letter. Their website is financial-ombudsman.org.uk which includes more information about the service, including details of the various ways they can be contacted. 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 couldn't pay out a claim?

We've been in business since 1843 and take great care managing our business and commitments sensibly.

We're required to publish a report each year about our solvency called a Solvency and Financial Condition Report. Solvency is a company's ability to meet its long term financial commitments and this report will help you understand more about our solvency and how we manage our capital and risks. The report will be available from the end of June 2017 onwards. If you'd like a copy you can visit www.LV.com/sfcr, or you can write to: Group Company Secretary, County Gates, Bournemouth BH1 2NF.

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. For this type of policy, the scheme covers 100% of your claim. The scheme's first responsibility is to seek continuity of cover rather than to pay compensation.

For more information visit fscs.org.uk or call 0800 678 1100 / 0207 741 4100.

What law applies to my policy?

Income Protection - Reviewable Premiums and its terms and conditions are governed by the laws of England and Wales. In the unlikely event of any legal disagreement, it would be settled exclusively by the courts of England and Wales.

We'll always communicate in English.

You can get this and other documents from us in Braille or large print by contacting us.



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