

ASDA money



Over 50s Life Cover

Policy Summary and Plan Conditions

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Provided by



ASDA Over 50s Life Cover

Policy Summary

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 will find these in the Plan Conditions. Asda Over 50s Life Cover is provided by Liverpool Victoria Friendly Society Limited, which is part of LV=.

Answering your questions

What am I covered for?

Asda Over 50s Life Cover is a guaranteed life cover plan designed to provide a one-off cash payment when you die. This cash could be used to help pay for funeral expenses, any loans or bills you may still have to pay, or perhaps to leave a gift for your loved ones.

What you're covered for in the first 12 months

You're covered if you die as the result of an accident within 90 days of it happening. However, there are some things we don't consider as accidents, such as those caused directly or indirectly by you (for example an accident caused by you drinking alcohol). We've not listed them all here but we've explained them in full in condition A1 of the Plan Conditions.

What you're not covered for in the first 12 months

You're not covered if you die for any other reason, such as illness, disease or natural causes. You can see all of the exclusions in detail under condition A1 of the Plan Conditions. If you die in the first 12 months and you're not covered we'll return all the premiums you've paid.

What you're covered for after 12 months

You're covered, no matter what causes your death. This means that you're covered if you die from an illness, disease, natural causes, or anything else.

Can I apply?

You can apply if you're:

- permanently living in the UK and
- are between 50 and 80 years old.

What do I pay?

This depends on the amount of cover you choose and whether you choose to cap your premiums or not. The minimum premium for uncapped premiums is £5 a month, and for capped premiums is £15 a month. Your premium is guaranteed when your plan starts - we promise never to increase it.

However there is also a minimum amount of cover of £650. So depending on your age you may not be able to get £650 of cover for the minimum premium.

There is a maximum premium of £100 a month. If you have more than one Asda Over 50s Life Cover plan, or any other similar guaranteed life cover plans with LV= the maximum premium is for all these plans added together.

How much cover can I have?

The minimum amount of cover you can apply for is £650 and the maximum is £10,000. If you have more than one Asda Over 50s Life Cover plan, or any other similar guaranteed life cover plans with LV= the maximum premium is £100 a month and the maximum cover is £25,000 for all these plans added together.

The amount of cover included in your plan is fixed and doesn't change. So when you're deciding how much cover you need, don't forget that as the cost of goods and services goes up, the cover in your plan will stay the same. This means that the same amount of money will buy less in the future.

Example

The average cost of a basic funeral in the UK in May 2016 was £4,229* and if funeral costs continue to rise at the same rate we estimate the average cost will be £8,032** by 2026. So choosing cover of £4,229 probably won't pay for a funeral in 10 years' time.

*Source: LV= cost of a funeral research – Breaking Blue Research, May 2016 (based upon a sample of 100 UK Funeral Directors).

** This is a projection based on the rise of funeral costs between 2005 & 2016, using a yearly rate of 6.63%, using figures from the LV= cost of a funeral research* therefore this figure could increase or decrease based upon market conditions.

The figures in this example aim to help you understand how rising prices affect your cover. The actual costs may be more or less than the amounts used.

Why are smoker rates more expensive?

As a smoker, you're not expected to live as long as a non-smoker. This means that your life cover costs more.

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. It is really important that you tell us if you're a smoker when you apply, and that you pay the right amount for your cover. If you don't, we may not pay out when you die. We've explained this in condition B7 of the Plan Conditions.

When does my plan start and end?

It starts as soon as we've processed your application. The start date will be shown on your plan schedule which we'll send you as soon as we've processed your application. It doesn't have a fixed date for when it ends – you're covered for the whole of your life as long as you pay all the premiums. If you stop paying for your cover, it will end, and you won't get anything back. This isn't a savings plan, and has no cash in value at any time.

How long do I pay premiums for?

This depends on whether you choose to cap your premiums or not.

With capped premiums – You pay a premium every month by direct debit until the total of all the premiums you've paid is the same as your amount of cover. After this, you won't have to pay any more premiums, but your cover will continue for the rest of your life. We've explained this in more detail in Condition B1 of the Plan Conditions.

Without capped premiums – You pay a premium every month by direct debit until you have paid premiums for a total of 30 years. After this, you won't have to pay any more premiums, but your cover will continue for the rest of your life. This option gives you more cover for your money than the capped premiums option. But, depending on how long you live the total amount you pay in premiums may actually be more than your amount of cover.

Example – How the two options work

Olivia is a 61 year old housewife and a non-smoker.

The premiums and amounts of cover used here are to help you understand the difference between the two premium options only. They may not be the same as our current premiums and amounts of cover.

Example 1 – with capped premiums

Olivia chooses to cap her premiums at £21 a month, which means her plan will provide her with cover of £2,767.

This means Olivia will stop paying premiums once they reach her chosen total amount of cover. In Olivia's case if she dies at any point before she reaches 72, the amount paid out will be more than she has paid in total in premiums ($£21$ (monthly premium) \times 12 (months in a year) \times 11 years = $£2,772$)

Olivia gets a lower amount of cover compared to if she'd not capped her premiums – but she'll stop paying monthly premiums the month before her 72nd birthday, so she'll never pay more in premiums than her chosen amount of cover.

Example 2 – without capped premiums

Olivia chooses not to cap her premiums, and pays £21 a month, which means her plan will provide her with cover of £4,599.

This option means that Olivia will pay premiums for a maximum of 30 years, up to age 91. In Olivia's case if she dies at any point before she reaches 79, the amount paid out will be more than she has paid in total in premiums (£21 (monthly premium) x 211 (number of months to age 79) = £4,431).

However she'll still need to keep paying premiums until she's 91 – so if she lives beyond age 79, then she'll have paid more in premiums than her chosen amount of cover. Although Olivia gets a higher amount of cover compared to if she had chosen to cap her premiums, there is a risk that she'll pay more in premiums than her chosen amount of cover.

The option you choose affects how much you pay for your cover.

Whether you cap your premiums or not, your plan ends after you die, so no further premiums will then need to be paid.

Can I increase my cover after my plan starts?

No, you can't increase your cover under this plan. However, you can take out more than one Asda Over 50s Life Cover plan with us if you want to, as long as your total cover and premiums aren't more than the maximum limits, and you're eligible to apply for a new plan.

Example

Mary already has a number of Asda Over 50s Life cover plans which in total cover her for £20,000. She wants to apply for another plan for £10,000. Unfortunately, the most Mary can apply for is £5,000, as this would take her total cover to the maximum cover of £25,000.

These limits apply to your Asda Over 50s Life Cover plan, and any other similar guaranteed life cover plans you have with LV=. They apply because we have guaranteed to accept you, even though we don't know what your health is like. These limits don't affect other types of life cover you take out with us, or another provider.

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 your cover is fixed when your plan starts. Rising costs for things like funerals will mean that the amount of cover you choose now will buy less in the future.

Can I change my mind?

Yes. You can change your mind and cancel your plan at any time. If you cancel your plan 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 plan has no cash-in value at any time.

To cancel your plan please call us on 0800 678 1907 (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 LV=, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP.

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.

The person claiming can do so at any time after your death. However they should let us know about a claim as soon as possible, so we can pay them quickly. They can make a claim by phoning 0800 678 1908 (for textphone, dial 18001 first). We may record and/or monitor your calls for training and audit purposes. Or, they can write to us at: Claims Department, LV=, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP.

Will I have to pay tax?

If you've a spouse or civil partner when you die, and we pay your cover to them, then there shouldn't be any tax to pay. If your spouse or civil partner has already died then there probably won't be any tax to pay unless your house and everything you own (known as your 'estate') is worth more than £650,000. Otherwise if your estate is worth more than £325,000 there may be some inheritance tax to pay when you die. If you pass the main house you live in onto your immediate family (your children, grandchildren, or your spouse or civil partner) when you die then the first £100,000 of the property value is also exempt from tax on death. This amount of £100,000 is due to increase each year by £25,000 until tax year 2020/21.

These limits apply for the tax years 2017/18 to 2020/21.

Example

Ted is divorced. He owns his own home, worth £310,000. His personal belongings - including antique furniture, a car, and his designer watch - are worth £60,000 in total.

Ted also has savings and investments of £76,000 and a 50 Plus plan with cover of £4,000. He has no debts. When Ted dies in May 2017, he leaves everything to his son, James, in his will. Ted can normally leave up to £325,000 without paying tax, but he's also leaving his main house to his son, so he can £425,000 free of tax to his son.

Ted's total estate is worth £450,000. (£310,000 + £60,000 + £76,000 + £4,000).

As this is more than £425,000, James will have to pay inheritance tax

on part of Ted's estate. The amount which inheritance tax applies to is £25,000 (£450,000 - £425,000).

Inheritance tax is currently 40%. So James will have to pay £10,000 (£25,000 x 40%) inheritance tax before he receives the money and property from Ted's estate.

Inheritance tax can be pretty complicated. If you think your estate might be affected, it's a good idea to ask your solicitor or financial adviser about it.

Income tax and capital gains tax won't apply to the cash payments we make.

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.

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 1907 (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 requirements, and if you want more information on how we handle complaints, please contact us or visit www.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 www.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 was not able to pay out?

We've been in business since 1843, and take great care to manage our affairs sensibly. We're required to publish a report each year on our solvency called a Solvency and Financial Condition Report. This helps you understand more about our solvency and how we manage our capital and risks. This will be available from the end of June 2017 onwards. If you want a copy you can find it on our website at 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. The compensation you could get depends on the type of product you have. For this type of plan, the scheme covers 100% 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 or call 0800 678 1100 or 0207 741 4100.

ASDA Over 50s Life Cover

Plan Conditions

Welcome to LV=, we provide your Asda Over 50s Life Cover.

These conditions, and your plan schedule, application and any declarations you've made, 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 black ink, appearing to read 'Richard Rowney', is positioned above the printed name and title.

Richard Rowney
Chief Executive

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

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 and is insured under this plan and is 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.

'Accident' means a violent event which happens by chance and results in you suffering a bodily injury. An example of an accident would be if you're injured in a fall or hurt in a fire.

'Amount of cover' means the amount you're insured for (shown in your plan schedule).

'Capped premiums' means you've decided that you want to stop paying **premiums** when your **amount of cover** is reached (shown in your plan schedule). If you don't cap your **premiums** you may end up paying more than the **amount of cover**.

'Non-smoker' means you haven't smoked or used any tobacco products or tobacco substitutes in the last twelve months.

'Plan' means these **plan** conditions, the plan schedule we'll send you when your **plan** starts, and any other documents we may send you to confirm changes to your plan (such as if you change your name).

'Premium' means the costs you pay each month for the **amount of cover** within your **plan** (shown in your **plan** schedule).

'Start date' means the date your plan starts. The start date is shown in your plan schedule.

Section A – Your ASDA Over 50s Life Cover

This section tells you about:

- when we will pay the **amount of cover**;
- how much we will pay; and
- who the money will go to.

A1 – What you're covered for

Your **plan** will pay out a one-off cash payment when you die, as long as you have paid all the **premiums** due. We've explained when **premiums** are due in condition B1.

What you're covered for in the first 12 months

You're covered if you die in the first 12 months as a result of an **accident** within 90 days of it happening. This applies no matter where you travel to in the world – so don't worry, you won't have to miss out on holidays for the next 12 months.

We won't ask you for any medical or health information when you apply. This is because we know that many people want life insurance without having to provide this kind of information. But this means we can only cover you for **accidents** in the first 12 months.

What you're not covered for in the first 12 months

You're not covered if you die in the first 12 months unless it's as a result of an **accident**. For example, you're not covered if you die from natural causes in this period.

You're not covered if you die as a result of an **accident**, but your death happens more than 90 days after the **accident** took place. If your death is caused directly or indirectly by any of the following, we won't consider it an **accident**.

- An intentional self-inflicted injury, including any injury resulting from:
 - taking drugs;
 - drinking alcohol; or
 - consuming poisonous substances (including inhaling gases or fumes).
- Actively taking part in any criminal act.
- Actively taking part in any riot, civil commotion, uprising or war (whether declared or not) or any related act or incident.

- Taking part in any form of racing (including time trials).
- Taking part in any form of aviation, including travelling in an aircraft (except as a fare-paying passenger).
- Any **accident** which happens while you are permanently living outside the United Kingdom.
- Natural causes, an illness or disease of any kind.

We know some of these exclusions are unlikely to apply to you, but it's these exclusions that mean you're guaranteed to be accepted for Asda Over 50s Life Cover without having to provide any information about your lifestyle or health.

What you're covered for after the first 12 months

You're covered for absolutely everything if you die 12 months or more after your plan starts. This means that you're covered:

- while you're abroad;
- because of any kind of accident; or
- if you die from an illness or disease; or
- if you die because of natural causes.

In fact, you'll even be covered if you fancy taking flying lessons or becoming a racing driver (maybe unlikely, but you never know)!

What you're not covered for after the first 12 months

You're covered, no matter what happens. That's why this section is empty!

A2 – How much we'll pay out

The amount we'll pay out depends on whether or not you're covered when you die. We've explained when you're covered in condition A1.

If your death is covered by the **plan** we'll always pay out the **amount of cover**.

If your death isn't covered by the **plan** we won't pay out the **amount of cover**. But, we do think it's fair to return any **premiums** you've paid us if this happens. For example, if you are paying **premiums** of £10 a month and you die of natural causes after 10 months, we will pay out £100 (10 x £10 = £100).

Remember, if you die more than 12 months after the **start date**, you'll always be covered, no matter what the cause of death is.

We do have some limits on your total **premium**, and how much cover you can have.

On your death we'll pay out the lower of:

- the total **amount of cover** for all your LV= guaranteed life cover plans;
- the **amount of cover** available to you for a total premium of £100; and
- £25,000 (as this is the most we will pay out under any circumstances).

If the total **amount of cover** for all your LV= guaranteed life cover plans is more than £25,000, we'll refund the **premiums** you have overpaid. If your total **premium** for all your LV= guaranteed life cover plans is more than £100 we'll also refund the **premiums** you have overpaid.

A3 – What the person making the claim needs to do

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.

When the time comes, the person making the claim should tell us about your death as soon as they can. They can make a claim by phoning 0800 678 1908 (for textphone, dial 18001 first). Or, they can write to us at: Claims Department, LV=, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP.

When we're told about your death we will ask the person making the claim what their relationship to you is. We will ask them to send in the original death certificate if they have it, along with their contact details. In some circumstances we may need to ask for more information. For example, if you died within the first 12 months after the **start date**, we may need to ask about any **accident** you suffered. We'll only ask for evidence we need.

If you have made it clear who you want to receive the money then we will pay it to them. Otherwise, we will pay the money to your next of kin. If there is more than one next of kin, for example your spouse has already passed away and you leave three children, then we will ask them to agree which one of them we can pay. Regrettably we do not split the money into smaller amounts.

If there is any dispute among the next of kin, or if the **amount of cover** is more than £10,000, we will ask to see a copy of your will. We may insist on a grant of probate, where the courts will confirm how your estate is to be dealt with.

We will ask the person we pay to fill in a simple form confirming that they have received the money.

Section B – General Conditions

This section tells you other things you need to know, such as how to pay your **premiums** or cancel your **plan**.

B1 – Paying your premiums

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

The type of cover you have will determine when your last premium payment is due. Your plan schedule confirms the type of cover you have chosen.

- a) With **capped premiums** – the last **premium** payment is due on the premium due date immediately before the total of all **premiums** paid becomes more than the **amount of cover**.
- b) Without **capped premiums** – the last **premium** payment is due on the premium due date immediately before the 30th anniversary of the **start date** of your **plan**.

B2 – Stopping your premiums

We give you 60 days from the due date for you to pay a **premium** – so don't panic if your bank doesn't pay the direct debit. 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 60 days, we will cancel the **plan** at the end of this period. We will not pay anything to you if this happens. If you die during the 60 day period, we'll ask your personal representatives to pay any outstanding **premiums** before we pay the **amount of cover**.

If we cancel your **plan**, we'll let you know.

B3 – Restarting your premiums

If the **plan** has stopped because you did not pay a **premium**, you can ask us to start it again within 3 months of the date the first unpaid **premium** was due.

So that we can restart your plan, we will need you to pay all of the **premiums** that haven't been paid.

B4 – How we pay a claim

We normally pay claims by cheque.

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.

B6 – When we can cancel your plan

Once your **plan** starts we guarantee that we won't normally cancel it, unless you haven't paid all the premiums due. We have explained this in more detail in conditions B2 and B7.

B7 – Proof of age, smoker status and name

The **premium** for your **plan** is based on your date of birth, and whether or not you smoke, as shown in your plan schedule. It is really important that you check your plan schedule has the correct date of birth and smoker status on it, as these affect the amount we can pay out if you make a claim.

We'll check your date of birth when a claim is made. If your actual date of birth is different from the one shown in your plan schedule, we will change your cover to the amount that would have been available based on your actual age and the **premiums** you have paid.

If you tell us you are a **non-smoker** when you apply, and you die as a result of a smoking related illness or disease, we may ask to see your medical records after your death. If we find out from these records that you were actually a smoker when you took out the **plan**, we will cancel it. This means that we won't pay out any claim, and we won't refund the premiums you have paid.

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.

If, when a claim is made, your name is different from the one in your plan schedule and birth certificate, we will need proof of this change (for example, a marriage certificate). We can ask for extra evidence if necessary, and we will tell the person making the claim when we need this.

B8 – When the plan ends

Your **plan** is a 'whole of life plan' which means that as long as you pay all **premiums** due, your **plan** will continue until you die.

When we pay a claim, your **plan** will finish and we will not make any further payments.

B9 – 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 a grandchild or a funeral director.

You can do this by transferring ('assigning') your **plan** to another person (or people) or a company, or by placing it in trust. If you do this, you need to send us the relevant documents so that we can update our records. If you don't, we may not pay the right person when a claim is made. But remember, you'll always be the person insured.

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.

B10 – The law that applies to your plan

Asda Over 50's Life Cover 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, large print or on audio by contacting us.

Liverpool Victoria Friendly Society Limited: County Gates, Bournemouth BH1 2NF.

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