

Family Income Assurance

Policy Summary

This summary gives you an overview of our Family Income Assurance product. For full details, including all the terms and conditions, please read the LV= Family Income Assurance Plan Conditions. In this summary we assume that you are the person insured and the plan owner.

Family Income Assurance 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 plan. It's up to you to decide whether this plan 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?

Family Income Assurance is designed to pay your annual amount of cover as a regular income if you die, or are diagnosed with a terminal illness before the end date of your plan. The income is paid every three months, starting from the date of death or diagnosis of a terminal illness, until the end date of your plan.

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

This plan will only pay out once. If there are two people insured, when a claim has been paid for one person, the plan ends and the other person is no longer covered.

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

What is a terminal illness?

This is an incurable illness, where in the opinion of an attending medical consultant and our Chief Medical Officer, you would not be expected to live for more than 12 months.

Is there anything I'm not covered for?

Yes.

We won't pay a claim if you die as a result of intentionally taking your own life within 12 months of the start date of your plan. More details can be found in section A2 of the Plan Conditions.

We won't pay out on a terminal illness claim if you are diagnosed with a terminal illness within 12 months of the end date of your plan. More details can be found in section A1 of the Plan Conditions.

You're covered if you die anywhere in the world. However, if you're diagnosed with a terminal illness, we'll need this diagnosis confirmed by a doctor who practices in one of a certain number of counties.

We've explained this in more detail in section A1 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 restart your premiums. We've explained this in more detail in section C7 of the Plan Conditions.

Can I apply?

You can apply if you are:

- permanently living in the UK and
- aged 17 to 79 if you choose level cover or
- aged 17 to 60 if you choose inflation-linked cover

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

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



How much cover can I have?

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

How much does it cost?

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

You can choose whether to pay your premiums monthly, every 3 months or yearly.

If you are paying monthly premiums or choose inflation-linked cover then your premiums will need to be paid by Direct Debit. For premiums paid yearly or every three months you can pay by direct debit or cheque.

The minimum premium is £7 a month, £21 if you pay every three months or £84 a year. There is no maximum.

We will confirm the premium you need to pay before your plan starts.

This may be different to that shown on your personal quote.

How long do I pay premiums for?

You can choose whether to pay your premiums monthly, every 3 months or yearly. If you pay your premiums monthly, you'll need to pay a premium every month by Direct Debit until the month before your plan ends.

If you pay your premiums every three months, you will pay a premium every three months until three months before your plan ends.

If you pay your premiums yearly you will pay a premium every year until the year before your plan ends.

For premiums paid yearly or every three months you can pay by Direct Debit or cheque. If you have chosen inflation-linked cover your premiums will need to be paid by Direct Debit.

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.

This plan has no cash in value at any time.

When does my plan start and end?

When you take out your plan the start date is shown in your Plan Schedule. it will end:

- when a claim is paid
- or
- on the end date shown on your Plan Schedule
- or
- if you stop paying your premiums
- or
- if we cancel your plan.

You cannot take out a plan that lasts less than 4 years, or more than 45 years.

Your plan must end:

- before the person you are insuring reaches age 90 if you choose level cover
- or
- before the person you are insuring reaches age 65 if you choose inflation-linked cover.

What types of cover can I choose?

You can choose:

- **Level cover** - This means the annual amount of cover and the premium you pay are fixed when your plan starts, and doesn't change. If you choose level cover it won't keep up with inflation, and will buy less in the future.
- **Inflation-linked cover** - This means that the annual amount of cover and the premium you pay will both go up each year in line with inflation. This will be shown on your personal quote as inflation-linked annual amount of cover. If we are paying a claim and you have chosen inflation-linked cover the income we pay will also increase in line with inflation. However the maximum increase each year will be 12%.

These types of cover are explained in more detail in section A3 of the Plan Conditions.

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 can change. Remember that if you choose level cover, inflation will mean that the amount of cover you choose now will buy less in the future. A financial adviser will be able to help you with this.

Can I change my cover?

No, once you've started your plan your annual amount of cover will stay the same unless you've chosen inflation linked cover. If your circumstances change you'll need to take out a new plan if you want to change your annual amount of cover.

Whether you can take out a new plan or not will depend on if we're offering this type of plan at the time and also your personal circumstances.

What if I can't pay my premiums?

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

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

However, you may be able to insure your premiums, using Waiver of Premium. This would normally mean that your premiums would continue to be paid on your behalf if you suffered an accident or illness which left you unable to work for longer than 26 weeks. We will pay your premiums until you are able to return to your job, reach the age of 65, die or until the end date of your plan, whichever is earliest. LV= will make a small extra charge for this.

Further details can be found in section B of your Plan Conditions.

Can LV= change the premium I pay?

No.

Your premium is guaranteed. This means we won't change it, unless you have chosen inflation-linked cover. If you have chosen inflation-linked cover, then both your premium and your annual amount of cover will only increase by the rate of inflation each year. The only other time your premium may change is if there is a change in legislation which affects your plan. We explain this in more detail in section C4 of the Plan Conditions.

What about claiming?

We understand that this will be a stressful time, so we've tried to make this as easy as we can.

You or your legal representative can make a claim by telephoning 0800 756 5869 (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=, Emperor House, Grenadier Road, Exeter Business Park, Exeter EX1 3LH, or email us at: healthclaims@LV.com.

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

Who gets the money when there is a death claim?

Who we pay for a death claim depends on how you set up your plan. We've explained each scenario in the table below.

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

If there are two people insured and they both die at the same time, the older person is assumed to have died first. This means if you're insuring yourself and someone else and you're both plan owners the claim would be paid to the estate of the younger of you.

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 is a terminal illness claim?

Once your claim has been approved, we will pay the claim to the plan owner.

How is the payment from this plan taxed?

- **Income tax and capital gains tax** - Income tax and capital gains tax won't apply to claims paid from this plan.
- **Inheritance tax** - This depends on how you've set up your plan. Inheritance tax only applies for death claims.

If you're insuring yourself, the regular income we pay out when you die will be converted into a lump sum for the purpose of inheritance tax calculations. This amount will then be added to your estate and inheritance tax could apply depending on what your estate is worth. Payments from the plan will still be made every three months.

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.

If you're insuring someone else, the amount(s) we pay out will go straight to you, because you're the owner of the plan. This means that it isn't included in the estate of the person insured, so no inheritance tax will apply.

If you own the plan with somebody else, it's not so simple. A financial adviser will be able to advise you on how inheritance tax will apply in your personal circumstances.

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

Could LV= cancel my plan?

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

If you apply for your plan online, we'll send you a summary of the questions we ask and the answers given. We'll also do this, if, when you apply we telephone you to ask you some further questions about your application. When you receive this summary it's very important that you check the answers you gave, as we rely on this information to set up your plan.

We've explained when we can cancel your plan in more detail in section C7 of the Plan Conditions.

Can I change my mind?

Yes, you can 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 simply call us on 0800 678 1906 (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=, Emperor House, Grenadier Road, Exeter Business Park, Exeter EX1 3LH.

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 to 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 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 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. 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 of cover rather than to pay compensation.

For more information go to www.fscs.org.uk or call 0800 678 1100 or 0207 741 4100.

What law applies to my plan?

Family Income Assurance 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.



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

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