

# Gift Inter Vivos plan

## Plan Conditions

These Plan Conditions tell you how LV= Gift Inter Vivos works in more detail. Together with your application, any declarations you've made, your Plan Schedule and any documents we send you confirming changes to your plan and the amount of cover, they form the terms and conditions of your insurance (the contract between you and LV=). Please take the time to read them carefully and keep them in a safe place.

LV= Gift Inter Vivos is provided by Liverpool Victoria Friendly Society Limited, which is part of LV=.

Find out how we use your personal information, and what rights you have by visiting [LV.com/dataprotectionlife](http://LV.com/dataprotectionlife). Please let us know if you'd like us to send you a copy, or have any questions. This includes who we are, how long we hold your information, what we do with it and who we share it with.

You'll see some of the words in this document are in bold text. This is because they may have different meanings in everyday use, we've explained them in more detail in the definitions section on page 4.

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## Why choose LV= Gift Inter Vivos?

Gift Inter Vivos is designed to provide a one-off lump sum payment if you die before the **end date** of your **plan**. Your **plan** is designed to cover the inheritance tax liability due on a gift, or part of a gift that's over the nil rate inheritance tax band. It's the person who receives the gift that would have to pay any tax due. These gifts are potentially liable for inheritance tax for seven years, which is why our Gift Inter Vivos plans run for seven years from the **start date** of the **plan**. The amount of inheritance tax liability reduces over time, as shown in the below table.

The Gift Inter Vivos plan is set up to decrease the **amount of cover** in line with this liability.

Year after plan start date	Amount of cover paid
<b>Within 1 years</b>	100%
<b>Within 2 years</b>	100%
<b>Within 3 years</b>	100%
<b>Within 4 years</b>	80%
<b>Within 5 years</b>	60%
<b>Within 6 years</b>	40%
<b>Within 7 years</b>	20%
<b>After 7 years</b>	0%

These figures are correct as at April 2018

### Example

Stan gives a gift of £425,000 to his brother Ron. Ron takes out a Gift Inter Vivos plan for an amount of cover of £40,000 which would cover the inheritance tax liability if Stan died. How the potential inheritance tax liability is calculated is shown below:

$$[\text{£}425,000 \text{ (gift)} - \text{£}325,000 \text{ (nil rate band)}] \times 40\% \text{ (inheritance tax rate)} = \text{£}40,000.$$

Unfortunately 3 and half years later, Stan dies and this means Ron has inheritance tax to pay on his gift. How the amount Ron would need to pay is calculated is shown below:

$$\text{£}40,000 \text{ (potential inheritance tax liability)} \times 80\% \text{ (as Stan died between years 3-4 after his plan start date)} = \text{£}32,000$$

The Gift Inter Vivos plan would pay £32,000 and cover Ron's inheritance tax liability.

The above example is based on the inheritance tax limits and rates for the tax years 2018/19 to 2020/21, which may change in the future.



# Section A – Your Gift Inter Vivos plan

## 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.

### What's covered

#### ✓ Death

We will pay the **amount of cover** shown in your Plan Schedule if you die between the **start date** and the **end date** of your **plan**. Once we have paid a claim on this **plan**, it will automatically end. As the **amount of cover** decreases each year, the amount paid out depends on when you die. The amount your cover decreases by each year is shown on your Plan Schedule.

### What's not covered

#### ✗ Death as a result of taking your own life in the first 12 months of your plan

We won't pay a claim if you die as a result of intentionally taking your own life in the first 12 months from the **start date** of your **plan**. However if this happens we'll cancel your plan and refund all the **premiums** that you've paid.

#### ✗ 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 effects 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 B7.

## A2 – 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'. 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 email, 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). If we need any further information from them, we'll write to them 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.

## A3 – Who we'll pay the claim to

Once the claim has been approved, we'll pay it to the legal owner of your **plan**. This will usually be one of the following:

- you, or if you are not the plan owner, the person named as the plan owner in your Plan Schedule.  
or
- if you have died, and you are also the plan owner, 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 claims by cheque.

## A4 – What if you're insuring someone else?

If you are insuring someone else, you will be the plan owner, and they will be the person insured. We will pay the claim to you (or the legal owner as detailed in section A3) if the person insured dies before the **end date** of the **plan**.

## 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**. Sections B1, B2 and B3 only apply for regular **premiums**. If you have paid a single **premium**, you do not need to read these sections.

### 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**).

Your **premiums** are guaranteed not to increase. The only time we may have to change your **premium** is if the law changes, and we explain this in more detail in section B4.

### 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.

### 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**. To restart your **plan**, we'll need you to pay all of the **premiums** that you haven't paid and complete some health questions.

Unfortunately, it's possible we may not be able to restart your **plan**, or if we can it could be on different terms to those originally offered, for example if your health is worse than it was when your plan started. If this happens, we'll 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

### B4 – Can you change the amount of my premium?

We have designed your **plan** with the aim that the amount of your premium won't change.

We work out the **premium** for your **plan** based on our current understanding of:

- the way your **plan** is taxed and
- the factors that we're legally able to take into account.

We could only change the **premium** after the **start date** of your **plan** for the following reasons:

- Changes to legislation that changes the way its taxed
- Changes to legislation that changes the factors we can legally use
- A decision by a UK court or the European Court of Justice that changes the factors that we can take account of

These are the only times when we can change the **premiums** for your **plan**.

We can't change your **premium** for any of the following reasons:

- To increase our profits,
- To make up for any losses we've made in the past,
- If there have been any changes in your health since the **start date** of your **plan**.

If your **premium** is going to change we will let you know at least 60 days before we change it.

If we advise you of an increase to your **premium**, you can choose to continue paying the previous amount instead. The **amount of cover** will then be reduced; to the amount that we work out your existing **premium** will pay for.

You must tell us, if you decide to do this, at least 30 days before the change is due to be made.

You can also choose to cancel your **plan**, although you should think about it carefully before doing so. If you decide to do this, your **plan** will end, you won't be covered, and you won't get anything back.

### B5 – Proof of your age and name

The **premium** you pay for your **amount of cover** is based on your date of birth as shown in your Plan Schedule.

Before we pay a claim on your **plan** we'll need to confirm your date of birth. We'll take this information from your death certificate. In some cases we may also ask to see your original birth certificate or passport (not photocopies) to help confirm your age.

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 your **amount of cover** to the amount that would have been available, based on your actual age and the **premiums** you have paid.

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'll tell you (or the person making the claim) what evidence we need, and why we need it.

### B6 – 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.

### B7 – When we can cancel your plan

Once your **plan** starts we'll only cancel it if you've died as a result of taking your own life within 12 months of the **start date** of your **plan**, or if you haven't paid all of the **premiums** that are due. We have explained what happens if you stop paying **premiums** in section B2.

Please understand that whilst the vast majority of our customers are honest, we do have to protect ourselves (and customers) against the effects of fraudulent claims, so the following exclusions apply:

We will cancel your **plan**, or not pay your full **amount of cover** if either you or anyone you are insuring acts fraudulently, or provides untrue, inaccurate or misleading information when applying for the **plan**, when making a claim, if applying to change your **plan**, or when applying to re-start your **premiums** (this is explained in section B3).

We might reduce the amount we pay out, or cancel your **plan** if we determine that you, or anyone your insuring 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 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 cover**. For example:

- A higher **premium** would have applied for the **amount of cover**,  
or
- the **amount of 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 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**.

Once you have checked the report, you need to sign it and return it to us within 60 days of the **start date** of your **plan**.

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

## B8 – 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.

## 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 italics (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 cover**' means the amount you are insured for (shown on your Plan Schedule). This will decrease as shown in section A1 and on your Plan Schedule.

## 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.

You can do this by transferring ('assigning') your **plan** to another person (or people), 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 documents 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.

## B10 – The law that applies to your plan

Gift Inter Vivos 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.

## B11 - How to make a complaint

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 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. If you'd like more information on how we handle complaints, please contact us or visit [www.LV.com/complaints](http://www.LV.com/complaints).

We hope that we will be able to resolve any complaint that you have. If you're unhappy with the outcome of your complaint, the Financial Ombudsman Service may be able to help you free of charge. You'll need to contact them within six months of receiving our final response letter. Their website is [www.financialombudsman.org.uk](http://www.financialombudsman.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.

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



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