

Key features
of the **Business
Protection policy**

Here you can find the main points about your AEGON Scottish Equitable **Business Protection policy**. You'll also get a personal illustration, so you can put figures to the benefits you've chosen. Please take some time to go through these documents carefully and keep them somewhere safe – you may well want to look at them again.

This guide refers to our product terms as at July 2007.

Throughout this document we've highlighted various technical 'protection' terms in **blue**. To help you understand these terms, we've explained them in a 'Glossary of protection terms', which you can find at the end of this document.

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Please ask your financial adviser if you want copies of any of the documents mentioned here.

Its aims

- To help protect your business from the financial consequences of serious ill health or death during the benefit term. Your policy can include:
 - **life cover**
This pays out a lump sum if the life assured dies.
 - **critical illness cover**
This pays out a lump sum if the life assured is diagnosed with a critical illness that meets one of our policy definitions and then survives for at least 14 days. We only cover the critical illnesses we define in our policy conditions and no others.
 - **life and critical illness cover**
This pays out a lump sum if the life assured either dies or is diagnosed with a critical illness that meets one of our policy definitions. We only cover the critical illnesses we define in our policy conditions and no others.
 - **executive income protection**
This pays you a regular benefit amount (subject to the limits set out in the section ‘The benefit amount we can pay under income protection’) if the life assured becomes unable to work due to accident or sickness, resulting in a loss of earnings.
 - **key person income protection**
This pays you a regular benefit amount (subject to the limits set out in the section ‘The benefit amount we can pay under income protection’) if the life assured becomes unable to work due to accident or sickness, which could result in a loss of profits.

Depending on the benefits you’ve chosen, the payment of the lump sum or regular benefit amount may mean the end of your policy.

Your commitment

- You agree to pay regular monthly premiums throughout the term of the policy. You can find details of the types of premium available in the ‘What do I have to pay?’ section. If your policy includes benefits with reviewable premiums then your premium may go up or down or remain unchanged at each review. Please see the ‘What do I have to pay?’ section for more information on how reviews work.
- You agree to give us all the information we ask for when applying for your policy and when making a claim. If you don’t do this, we won’t pay your claim.
- You agree to let us know of any claim you need to make within the relevant time limits.

You can find more information on all the available benefits and any relevant time limits in the sections ‘What is Business Protection?’ and ‘What other benefits can I choose?’.

Risk factors

- If you stop paying premiums, your protection will stop immediately.
- The policy only provides protection and has no cash-in value at any time.
- We might not pay out a claim under certain circumstances. These circumstances are known as exclusions. You can find more details on this in the section ‘What will stop the policy from paying out?’.
- If the information we receive when you take out your policy is incomplete, incorrect or untrue, we may not pay your claim. This could be information you give us or information your adviser gives us on your behalf.
- If you choose reducing benefits, your benefit amount will reduce each month in the same way that a capital and interest loan would reduce if it was repayable over the benefit term at a yearly interest rate of 10%. So, if interest rates are consistently above 10%, the amount we’ll be able to pay when you make a claim may not be enough to pay off your outstanding loan.
- If you have benefits with reviewable premiums then your premium may go up or down at each review, although any increase in your premiums will be fair and reasonable.
 - Reviews will take place every five years on the anniversary of the relevant benefit start date.
 - The first review will be on the fifth anniversary of the relevant benefit start date.
 - There’s no limit on the amount we may increase your premium by, although any increase will be fair and reasonable. This means that you may not be able to afford the same level of cover after a review. Also you may not be able to take out replacement cover at that time, for example if the health of the life assured has deteriorated.
 - You can find more information on how reviews work in the ‘What do I have to pay?’ section. You can also find full details in the *Business Protection technical guide* and your policy conditions booklet.
- If you choose executive income protection and the earnings of the life assured go down or don’t go up as quickly as your benefit amount then when you make a claim we won’t pay the full benefit amount. We won’t refund any of your premiums if this happens. You and your financial adviser should regularly review the life assured’s earnings against the benefit amount to check the cover continues to meet your needs and that you’re not paying for cover that you can’t claim.
- If you choose executive income protection, the amount we pay out if you claim may affect the life assured’s entitlement to some means-tested state benefits.
- If you choose executive income protection, the amount we pay out if you claim may affect the life assured’s claim to benefit from other income protection policies.
- The tax treatment of key person income protection or executive income protection benefits may change.

Questions and answers

What is Business Protection?

It's a policy that will help protect your business financially if the life assured:

- dies, or
- is diagnosed as having a terminal illness, or
- is diagnosed with one of the listed critical illnesses (these are listed under 'What is included in the critical illness cover?'), or
- becomes totally and **permanently** disabled, or
- is unable to work due to accident or sickness, leading to a loss of earnings or profit

Which of the above are covered by your policy will depend on the benefits you choose.

You can set up your policy to cover one or two people, known as the life or lives assured. Most of the main benefits can be taken out on a **single life** basis, which means they cover one person, or on a **joint life** first death/event basis, which means two people are covered but the benefit amount is only paid out once.

On joint life policies that pay out on death, we'll only pay the death benefit once. Because of this, you have to set up your policy so that the death benefit is payable:

- when either of the lives dies (known as **joint life** first death)*
- on the death of a selected life who has a life protection benefit (or life with critical illness protection benefit) on a **single life** basis within a **joint life** policy

*For example Mr and Mrs Johnston take out life protection on a **joint life** first death basis. This means that the benefit will be paid if either one of them dies. The benefit amount will be paid out once and the benefit then stops.

Key person income protection and executive income protection are only available on a **single life** basis.

We provide a range of benefits and you can choose as many as you need. You can decide how much cover you want for each benefit and, for most benefits, you choose how long you want the cover to last.

We offer a business protection trust form and we can also provide you with a sample of both cross option and single option agreements. Trust factsheets can be downloaded from our website at www.aegonse.co.uk/adviser or you can contact our customer service centre for more information.

Now let's look at the main benefits available from Business Protection in more detail.

What are the main benefits?

Life protection/Reducing life protection

Life protection pays out a cash lump sum if the life assured dies or is diagnosed with a terminal illness during the benefit term. However, we won't pay out for a terminal illness diagnosed in the last year of the benefit term. You can find the definition of terminal illness in the 'What benefits are automatically included? Terminal illness' section.

For reducing life protection, the amount that we'd pay out on a claim reduces each month over the term in the same way that a capital and interest loan would reduce if it was repayable over the term at a yearly loan interest rate of 10%. It'll never pay out more than the original benefit amount.

Critical illness protection

Critical illness protection pays out a lump sum if the life assured is diagnosed with a critical illness that meets one of our policy definitions and then survives for at least 14 days. We only cover the critical illnesses we define in our policy conditions and no others.

Life with critical illness protection/Reducing life with critical illness protection

Life with critical illness protection pays out a lump sum if the life assured either dies or is diagnosed with a critical illness that meets one of our policy definitions. We only cover the critical illnesses we define in our policy conditions and no others.

For reducing life with critical illness protection, the amount that we'd pay out on a claim reduces each month over the term in the same way that a capital and interest loan would reduce if it was repayable over the term at a yearly loan interest rate of 10%. It'll never pay out more than the original benefit amount.

Income protection

There are two versions of this benefit available to choose from:

Key person income protection

Key person income protection pays you a monthly benefit amount if, due to accident or sickness, the life assured becomes unable to work. This benefit can then be used to either help pay for a replacement employee or to help cover the loss of profits.

Executive income protection

Executive income protection pays you a monthly benefit amount if, due to accident or sickness, the life assured becomes unable to work and so loses earnings. This allows you to insure the income of valued employees. This benefit must be used to help pay replacement income to the employee while they're off work and will be paid through the PAYE (Pay As You Earn) system.

How income protection works

You decide how much benefit you need, the benefit term and when you need income payments to start.

If an accident or sickness stops the life assured from working, you should let us know the details as soon as possible but no later than shown in the table below. Failure to tell us within these time limits may affect the decision on the claim and could delay payment of the benefit amount.

| Deferred period | Notification period |
|-----------------|---------------------|
| 4 or 8 weeks | by week 2 |
| 13 weeks | by week 4 |
| 26 weeks | by week 6 |
| 52 weeks | by week 12 |

We'll pay you a monthly benefit amount from the end of the [deferred period](#) subject to your claim being agreed. You can find details on the [deferred period](#) under 'When income protection payments start' overleaf. We'll make the first payment one month after the end of the [deferred period](#) and will continue making payments for as long as the life assured continues to meet the definition of incapacity as shown on your policy schedule. (You can find further details of the definitions of incapacity in the 'What benefits are available? Income protection' section of the *Business Protection technical guide*.)

For key person income protection, we'll stop making payments at the end of the payment period chosen when you took out the policy. Please see the section 'How long can we pay income protection for?'

Waiver of premium benefit is automatically included with key person income protection and executive income protection and will usually cover payment of your premiums while we're paying the benefit. See the 'Income protection premium payments while claiming' section for more details.

The benefit amount we can pay under income protection

For key person income protection, you select the amount of benefit suitable at the start, based on one of the following maximum benefit calculations (subject to a maximum of £250,000 a year):

- 2.5 times the life assured's income averaged over the last three years, or
- 75% of the company's average gross profits that can be attributed to the key employee over the last three years

For executive income protection, the maximum benefit calculation will be:

- 75% of the employee's pre-incapacity earnings (subject to a maximum of £130,000 a year)
- plus the yearly contribution towards the life assured's pension made in the previous 12 months by the company
- plus employer National Insurance contributions (which can also be protected by the employer up to the amount paid in respect of the life assured in the last 12 months)

The combined overall limit for pension and National Insurance contributions is £30,000.

By earnings we mean 'income that will be lost in the event of incapacity', so this may include regular income such as salary, bonus, commission, overtime and P11D benefits.

'Income' for a company director of their own business, who is also a shareholder, means the salary received and dividends received from the profit generated after deduction of corporation tax in the 12 months before a claim. Please also see the section 'Other income which may reduce what we pay you'. You can find further details on income in the 'What benefits are available?, Income protection – How much benefit can be paid?' section of the *Business Protection technical guide*.

When income protection payments start

When the life assured is first unable to work due to accident or sickness there'll be a period, known as the [deferred period](#), when we don't pay out any benefit. For key person income protection, you can choose a [deferred period](#) of 13, 26 or 52 weeks. For executive income protection you can choose a [deferred period](#) of 4, 8, 13, 26, or 52 weeks. Generally, the longer the [deferred period](#), the cheaper the policy will be.

How long can we pay out income protection payments for?

We'll pay key person income protection benefit payments until the earliest of the following:

- the end of the benefit term (the maximum period we'll cover key person income protection is 10 years)
- the death of the life assured
- the life assured no longer meeting the definition of incapacity as shown on your policy schedule (it'll be one of: own [occupation](#) or any suited [occupation](#) – you can find details of these in the 'What benefits are available?', Income protection' section of the *Business Protection technical guide*)
- the benefit payment period ends
- the date the life assured's employment with the company ends
- the date the company ceases to trade

We'll pay executive income protection benefit payments until the earliest of the following:

- the end of the benefit term
- the death of the life assured
- the life assured no longer meeting the definition of incapacity as shown on your policy schedule (it'll be one of: own [occupation](#), any suited [occupation](#) or activities of daily work – you can find details on these in the 'What benefits are available?', Income protection' section of the *Business Protection technical guide*)
- the life assured is no longer suffering a loss of earnings
- the date the life assured's employment with the company ends

Key person income protection is payable for a set period of time within the benefit term. You must choose the payment period of one, two, three, four or five years at the start.

Your income protection cover won't end when your claim ends if the benefit term hasn't ended and, for key person income protection, the payment period hasn't ended. You can claim as many times as you need to. However, to make sure your cover continues when your claim ends, you have to start paying premiums again.

How long can income protection cover last?

You decide how long you want the cover to last by choosing a term or the age you want the benefit to stop. However, the maximum term available for **key person income protection is 10 years**.

For both **executive and key person income protection** the term can't run beyond the life assured's planned retirement date or their 65th birthday if sooner.

Assessing your income protection claim

There are two definitions of incapacity for key person income protection (own [occupation](#) or any suited [occupation](#)) and three for executive income protection (own [occupation](#), any suited [occupation](#) or activities of daily work). Your policy schedule will show which one the life assured has (you can find further details on the incapacity definitions in the 'What benefits are available?', Income protection' section of the *Business Protection technical guide*).

If the life assured's definition of incapacity is own [occupation](#) or any suited [occupation](#), any claim you make will be assessed on the life assured's [occupation](#) immediately before their incapacity started. We'll also ask for evidence of the life assured's loss of earnings or the company's loss of profit. You'll qualify for income protection benefit payments if the life assured satisfies the definition of incapacity resulting in a loss of earnings or a loss of profit.

In all cases we'll ask for medical evidence, for example a consultant's report, an independent medical examination or a home visit by a qualified nurse. This list isn't exhaustive and we'll pay any costs involved.

Claiming again after returning to work

There's no limit to the number of claims that you can make during the benefit term. However, you must restart paying premiums when your claim ends to make sure that your cover continues. If you need to make another claim for the same condition or a related condition within six months of your last claim ending and the life assured satisfies the definition of incapacity, then the [deferred period](#) won't apply.

Returning to part-time or less well-paid work

With executive income protection or key person income protection, if the life assured is no longer able to fully carry out their normal [occupation](#) but returns to work in a reduced role or if they can take up different work at a lower income with the same company, we would support them by continuing to pay a monthly benefit amount. This would be at a reduced level dependent on the life assured's new income. (You can find details on how we calculate this in the 'What benefits are available?', 'Income protection – Proportionate benefit' and the 'Rehabilitation benefit' sections of the *Business Protection technical guide*.)

Income protection premium payments while claiming

You should carry on paying premiums until we accept your claim. You don't need to pay premiums to us while we're paying you a benefit amount under your key person income protection or executive income protection cover. However, if you have executive income protection or key person income protection, you'll need to start paying premiums if the life assured starts working again even if the work is on a part-time basis or they're performing different duties.

Other income which may reduce what we pay you

For executive income protection only, we'll reduce your benefit amount if any of the following take the life assured over the maximum benefit amount we can allow (see the section 'The benefit amount we can pay under income protection' above):

- continuing payments from employment (such as sick pay)
- any ongoing income from a business or company
- pension payments – unless they'd have received them if they were still working
- other insurance benefits – if they pay out because of the life assured's incapacity and are paid to the life assured or to someone else for them such as, but not limited to, mortgage payments
- state incapacity benefit

If we have to reduce the benefit amount, we won't refund any of your premium payments.

You can find more information on all of the benefits available in the 'What benefits are available?' section of the *Business Protection technical guide*.

How flexible is it?

Business Protection has been designed to allow you to change your cover if and when your business needs change. We recommend that you regularly review your cover and update it, if necessary, to make sure it continues to meet your needs.

There are a number of changes you can make at any time. We may be able to make some of these changes without you having to provide us with further medical evidence, for example if the value of your key person increases, you may wish to increase the level of cover provided by using the guaranteed insurability option.

Other changes may require us to carry out a fresh assessment of the life assured's health, [occupation](#) and pastimes. If you make any changes to your policy, your premiums will change. You can find details of how flexible Business Protection is in the *Business Protection technical guide*.

What other benefits can I choose?

As well as the main benefits, you can also have the following benefits.

Pre-completion benefits

Immediate cover facility

We can provide immediate cover for the first 60 days while any routine necessary medical information is being requested. In order for us to provide this, we require a completed application form with no adverse disclosures, a fully completed Direct Debit instruction, payment for the first 60 days' premium by cheque and all financial evidence. This facility isn't available with either key person income protection or executive income protection benefits. You can find further details of the conditions in the 'Immediate cover facility' section in the *Business Protection technical guide*.

Additional benefits

Waiver of premium

With this benefit you won't have to pay premiums after the [deferred period](#) if, due to sickness or accident, the life assured becomes unable to work. We'll continue to pay premiums for as long as the life assured continues to meet the definition of incapacity as shown on your policy schedule. The [deferred period](#) will start from the date of incapacity. You can choose your deferred period from 4, 8, 13, 26 or 52 weeks unless you also have an income protection benefit. In that case it'll have the same deferred period and definition of incapacity as your income protection benefit. You can find more information about the different [deferred periods](#) available for key person income protection and executive income protection in 'What benefits are available?, Income protection, When will income protection start?' section of the *Business Protection technical guide*.

Renewal option (five year)

If you choose life protection, critical illness protection or reviewable premium life with critical illness protection, then instead of setting up your benefit on a fixed-term basis, you can choose to renew your benefit every five years. At the end of each five-year term you can renew the benefit without the life assured having to provide any more information about the state of their health. Your premium will be based on our premium rates and the life assured's age at the time you renew your benefit. This option is only available if the life assured hasn't been charged an extra premium or had additional exclusions on their policy for medical reasons.

Indexation option

If you choose life protection, critical illness protection, life with critical illness protection, key person income protection or executive income protection, you can select this option to help protect your benefit amount against the effects of inflation. The benefit and premium will increase each year in line with the increase in the Retail Prices Index (RPI), subject to a maximum of 10%.

Total and [permanent](#) disability benefit

You can choose to add this benefit to any of the main benefits, with the exception of key person income protection and executive income protection. We'll pay you this benefit if the life assured is unable to do their own [occupation](#), any [occupation](#) or a number of activities of daily living, depending on the definition of incapacity as shown on your policy schedule because of total and [permanent](#) disability. However, we won't pay where the total and [permanent](#) disability has resulted from or is directly related to alcohol or drug abuse. These definitions are explained in the 'Additional benefits, Total and [permanent](#) disability benefit' section of the *Business Protection technical guide*.

Instalment option

In addition to the above benefits, there's also the instalment option, which is available if you choose life protection, critical illness protection or life and critical illness protection. Your benefit must be at least £250,000 at the benefit start date and if you make a valid claim you'll receive the benefit in five equal yearly instalments. You must let us know at the start of your policy that you want this option.

What benefits are automatically included?

We automatically include the following benefits at no extra cost.

Terminal illness

Terminal illness benefit is included with all the main benefits except key person income protection and executive income protection. We'll pay out on this if the life assured is diagnosed with an advanced or rapidly progressing incurable illness where, in the opinions of an attending Consultant and our chief medical officer, the life expectancy is no greater than 12 months.

The opinion must be supported by relevant medical evidence and for life protection and reducing life protection the policy must have at least one year left to run from the time the claims criteria are met.

Guaranteed insurability options

If you need to increase your benefit amount because your circumstances have changed you may be able to do so without the life assured having to provide any more information about the state of their health. These options are only available if the life assured is accepted on [standard premiums and policy terms](#). You can find more information about this in the 'Guaranteed insurability options' section of the *Business Protection technical guide*.

What medical and other details are needed?

Your application includes questions about the life to be assured's medical history, other personal circumstances and the policyholder's finances so that we can assess the application fairly. This assessment may also include a medical examination, which we'll pay for. We may also request information about the business.

When does the policy pay out?

Your policy schedule will show you which benefits you've chosen, the benefit amounts, the premium for each benefit and under what conditions we'll pay out on a benefit.

What is included in the critical illness cover?

The Association of British Insurers (ABI) has defined critical illness cover as insurance which pays out on meeting the policy definition of a specified critical illness and where all of the following are included:

- **Cancer** – *excluding less advanced cases*
- **Heart attack** – *of specified severity*
- **Stroke** – *resulting in [permanent](#) symptoms*

The complete list of conditions we cover is set out below. These headings are only a guide to what is covered. The full definitions of the illnesses covered and the circumstances in which you can claim are given in the policy conditions. These typically use medical terms to describe the illnesses but in some cases the cover may be limited. For example:

- some types of cancer aren't covered
- to make a claim for some illnesses you need to have [permanent](#) symptoms

You can find further details of how we'll consider your claim, including the full definitions we'll use and the evidence we'll need, in the *Definitions guide*.

- **Alzheimer's disease** – *resulting in [permanent](#) symptoms*
- **Aorta graft surgery** – *for disease or traumatic injury*
- **Aplastic anaemia** – *with [permanent](#) bone marrow failure*
- **Bacterial meningitis** – *resulting in [permanent](#) symptoms*
- **Benign brain tumour** – *resulting in [permanent](#) symptoms*
- **Blindness** – *[permanent](#) and [irreversible](#)*
- **Cancer** – *excluding less advanced cases*
- **Cardiomyopathy** – *of specified severity*
- **Coma** – *resulting in [permanent](#) symptoms*
- **Coronary artery bypass grafts** – *with surgery to divide the breastbone*
- **Creutzfeldt-Jakob disease (CJD)** – *resulting in [permanent](#) symptoms*
- **Deafness** – *[permanent](#) and [irreversible](#)*
- **Dementia** – *resulting in [permanent](#) symptoms*
- **Heart attack** – *of specified severity*
- **Heart valve replacement or repair** – *with surgery to divide the breastbone*
- **HIV infection** – *caught in the UK, Channel Islands or Isle of Man, from a blood transfusion, a physical assault or at work in an eligible [occupation](#)*
- **Kidney failure** – *requiring dialysis*
- **Liver failure** – *advanced stage*
- **Loss of hands or feet** – *[permanent](#) physical severance*
- **Loss of speech** – *[permanent](#) and [irreversible](#)*
- **Major organ transplant**
- **Motor neurone disease** – *resulting in [permanent](#) symptoms*
- **Multiple sclerosis** – *with persisting symptoms*
- **Paralysis of limbs** – *total and [irreversible](#)*
- **Parkinson's disease** – *resulting in [permanent](#) symptoms*
- **Progressive supra nuclear palsy** – *resulting in [permanent](#) symptoms*
- **Respiratory failure** – *of advanced stage*
- **Stroke** – *resulting in [permanent](#) symptoms*
- **Terminal illness**
- **Third-degree burns** – *covering 20% of the body's surface area*
- **Traumatic head injury** – *resulting in [permanent](#) symptoms*

What will stop the policy from paying out?

If you don't give all the relevant facts, the protection provided by the policy could be lost or cancelled and your claim rejected. In certain circumstances we won't pay out a claim. These are known as exclusions. If there are any additional reasons why we won't pay out a claim on your policy, we'll tell you about them before your cover starts. They'll also be included in your policy schedule.

The following table shows a summary of the main reasons why we wouldn't pay out a claim and the ticks indicate which benefits they apply to. You can find full definitions for each of the exclusions overleaf.

| | Life protection/ Reducing life protection | Life with critical illness protection/Reducing life with critical illness protection | Critical illness | Key person income protection | Executive income protection | Waiver of premium | Total and permanent disability protection |
|---|--|---|------------------|---------------------------------|--------------------------------|-------------------|--|
| Alcohol or drug abuse | ✓* | ✓* | ✓ | ✓ | ✓ | ✓ | ✓ |
| HIV/AIDS | | | | ✓ | ✓ | ✓ | ✓ |
| Travelling and living abroad | ✓ | ✓ | | | | | ✓ |
| Living abroad | | | | ✓ | ✓ | ✓ | |
| Suicide | ✓ | ✓ | | | | | |
| Unreasonable failure to follow medical advice | | ✓ | ✓ | | | | ✓ |
| War and civil commotion | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Alcohol or drug abuse

We won't pay a claim if it results from or is directly related to alcohol or drug abuse.

*The alcohol or drug abuse exclusion applies only to the following critical illnesses: cardiomyopathy, coma, liver failure and Parkinson's disease. Please refer to the *Definitions guide* for full details.

HIV/AIDS

We won't pay a claim in the event that the life assured is disabled as a result of infection with Human Immunodeficiency Virus (HIV) or conditions due to any Acquired Immune Deficiency Syndrome (AIDS) or HIV infection resulting from any other means than those described below. In particular HIV infection resulting from sexual activity or drug abuse isn't covered.

This exclusion doesn't apply where infection was caused by one of the following:

Infection by Human Immunodeficiency Virus resulting from:

- a blood transfusion given as part of medical treatment
- a physical assault, or
- an incident occurring during the course of performing normal duties of employment for these eligible **occupations**:
 - hospital doctors, surgeons and consultants, hospital nurses, hospital laboratory technicians, hospital porters, hospital caterers, hospital cleaners, general practitioners and nurses employed by them, fire brigade workers, dental surgeons, dental nurses, district nurses, midwives, paramedics, ambulance workers, hospital laundry workers, policemen, policewomen and prison officers

after the start date of the policy and satisfying all of the following:

- The incident must have been reported to appropriate authorities and have been investigated in accordance with the established procedures.
- Where HIV infection is caught through a physical assault or as a result of an incident occurring during the course of performing normal duties of employment, the incident must be supported by a negative HIV antibody test taken within five days of the incident.
- There must be a further HIV test within 12 months confirming the presence of HIV or antibodies to the virus.
- The incident causing infection must have occurred in the UK, Channel Islands or Isle of Man.

Travelling and living abroad

If a life assured travels or lives outside the UK, Channel Islands, Isle of Man, European Union, Andorra, Australia, Gibraltar, Liechtenstein, Monaco, San Marino, Turkey, the Vatican City State, New Zealand, Canada, Iceland, Norway, Switzerland or the United States of America for a period of more than 13 consecutive weeks then cover will stop.

Cover will start again when the life assured has been back in one of the countries listed above for a period of 39 consecutive weeks.

If the life assured is diagnosed with a critical illness or total and **permanent** disability during a period where there isn't any cover in place then the benefit amount won't be paid.

(This exclusion only applies to the critical illness element of life with critical illness protection.)

Living abroad

A life assured will only remain covered while they're a [permanent](#) resident of the United Kingdom, the Channel Islands or the Isle of Man.

In the event that the life assured travels or lives temporarily outside the United Kingdom, the Channel Islands or the Isle of Man for a period exceeding 13 weeks during any 12-month period then cover for the benefits listed will be excluded.

The 13-week period stated above will be extended to 26 weeks during any 12-month period where the life assured is travelling within or is living temporarily in any one or more of the following countries: European Union, Andorra, Australia, Gibraltar, Liechtenstein, Monaco, San Marino, Turkey, the Vatican City State, New Zealand, Canada, Iceland, Norway, Switzerland or the United States of America.

Suicide

We won't pay a claim in the event that the life assured has died as a result of their own actions (whether or not at the time of such action they were sane or insane) within 12 months of the policy start date or, if later, the date on which a particular benefit starts, or a policy is reinstated, or the sum assured for a particular benefit is increased. (This exclusion only applies to the life element of the benefits listed.)

Unreasonable failure to follow medical advice

We won't pay a claim if it's caused by unreasonable failure to seek or follow medical advice. (This exclusion only applies to the critical illness element of the life with critical illness benefits listed.)

War and civil commotion

We won't pay a claim if it results from any of the following; war, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion. (This exclusion only applies to the critical illness element of the life with critical illness benefits listed.)

What do I have to pay?

You can find details of your premiums in your policy schedule. All premiums are paid by Direct Debit and are due throughout the term of the policy.

We take various things into account when calculating your premium. These include whether cover is for one life or two, the gender and age of the life assured, whether they smoke, their medical history, their [occupation](#), any hazardous pursuits they're involved in, which benefits you've chosen, how much cover you've selected and for how long.

Most benefits are available with guaranteed premiums with the exception of critical illness protection, which is available on a reviewable premium basis only.

Life with critical illness protection, reducing life with critical illness protection, key person income protection and executive income protection can be selected with either guaranteed or reviewable premiums.

The premiums you pay for waiver of premium will change if the premiums for any of the other chosen protection benefits change.

Total and [permanent](#) disability benefit will usually be on a reviewable premium basis. However, if you choose life with critical illness protection or reducing life with critical illness protection on a guaranteed premium basis, the attaching total and [permanent](#) disability benefit will also be on a guaranteed premium basis.

Guaranteed premiums mean that the amount you pay when you take out the benefit stays the same throughout the benefit term. If you choose the indexation option, the premium will change as a result of the yearly Retail Prices Index (RPI) increases.

If you choose benefits with reviewable premiums then the amount of your premium may change at a review.

This is because when we calculated the premium rates to charge for these benefits we had to predict what we expected various factors to be over the whole term of your reviewable benefit. In order to offer a more affordable premium we built in reviews which allow us to change those factors at a review if there's a valid reason for the change.

Reviews will take place every five years on the anniversary of the relevant benefit start date. The first review will be on the fifth anniversary of the relevant benefit start date.

The reasons why your premium may change at a review are:

- medical advances which affect our view on the expected number and timing of future claims
- events outside our control which may affect the expected number and timing of future claims, for example a global epidemic
- new data, either from our own [experience](#) or from external sources, which indicates the level of historic claims has changed from the last time such data was published and therefore affects our view of the expected number of future claims
- changes to the tax regime which may favour one type of policy over another – this will affect the number of benefits we expect to stop before the end of their benefit term
- new data, either from our own [experience](#) or from external sources, which indicates the level of benefits stopping before the end of the benefit term has changed from the last time such data was available and therefore affects our view of the expected number of benefits stopping before the end of the benefit term in the future
- changes in inflation from the levels assumed when we calculated your premiums – this affects the cost of looking after your policy

- changes in the tax regime for insurers
- changes in the way the Government want us to calculate the amount of money we have to set aside in order to ensure we can meet claims as they fall due

If there's been any change in the factors since your policy started or since it was last reviewed then we'll use a fair and reasonable method to calculate whether there should be a change in your premium. The method is described in the *Business Protection technical guide* and your policy conditions booklet.

There's no limit on the amount we may increase your premium by.

We'll write and tell you the result of your premium review two months before we make any change. If we change the timing of these letters we'll let you know.

If your letter tells you your premium will go up at the benefit anniversary, then you may:

- pay the increased amount and continue with the same benefit amount
- ask us to reduce your benefit amount so you can keep the premium at its current amount
- ask us to cancel your benefit

If you cancel all the main benefits on your policy, then your policy will stop with no cash-in value.

You can find full details of premium reviews in the 'Premium reviews' section of the *Business Protection technical guide* and your policy conditions booklet.

If you're unsure whether reviewable premiums are suitable for you then you should speak to your financial adviser.

What are the charges?

When calculating the premium we take into account how much it costs to set up and look after the policy, along with the cost of providing the protection benefits. These costs are included within the premiums you pay.

What if I stop paying?

If you stop paying premiums your policy will stop and the life assured will no longer be covered for any of the benefits you've chosen. You won't get any of your premiums back. If you stop paying premiums but then want to restart your policy, write to us and we'll let you know if this is possible.

We may:

- make a charge for restarting your policy
- ask for proof that the life assured is in good health
- ask for proof that the life assured's [occupation](#) and leisure activities are, in our opinion, not more likely to cause sickness or an accident than before
- increase your premiums

You can stop paying premiums at any time by cancelling your Direct Debit and writing to us at the address shown opposite.

What about tax?

The taxation treatment of the premiums and proceeds will depend on whether the business is insuring the life of the individual on a key person basis or whether the insurance is on a shareholder or partnership protection basis. You can find further information on this in the *Business Protection technical guide*.

This tax information is based on our understanding of current taxation law and practice, which may change. All details are correct at the time of publication.

The current basic rate of income tax is 22% and the higher rate is 40%.

Can I change my mind?

Yes. After your policy has started, we'll send you a notice telling you of your right to cancel. You'll then have 30 days in which to change your mind and get a refund of all premiums paid. You can stop your premiums by cancelling your Direct Debit and writing to:

The Manager
Customer Service Centre
AEGON Scottish Equitable
Ballam Road
Lytham St Annes
Lancashire
FY8 4JZ

How to contact us

Remember, your financial adviser will normally be your first point of contact. We won't be able to give you any financial advice at any stage.

If you have any questions, you can phone, email or write to us at:

Phone: 0845 600 1402
Monday to Friday, 8.30am to 5.30pm
protect_support@aegon.co.uk

AEGON Scottish Equitable
Ballam Road
Lytham St Annes
Lancashire
FY8 4JZ

We may monitor calls to improve our service.

If you want to make a claim, please get in touch with our Claims Department at the address below. They'll send you a claim form.

Phone: 0845 600 0493
Monday to Friday, 8.30am to 5.30pm
protect_claims@aegon.co.uk

AEGON Scottish Equitable
Ballam Road
Lytham St Annes
Lancashire
FY8 4JZ

Other information

AEGON Scottish Equitable

AEGON Scottish Equitable is a trading name of Scottish Equitable plc. We've been part of the AEGON Group since 1994, linking Scottish Equitable's 175 years in the UK's pensions, annuities, investment and protection markets with AEGON's global strength.

The AEGON Group is one of the largest insurance companies in the world, with assets under management of around €364 billion (£240 billion).

Independent industry analysts Standard & Poor's awarded AEGON Scottish Equitable an AA (very strong) rating in January 2006. This is one of the highest ratings of financial strength a company can achieve. Standard & Poor's ratings service also views us as being core to AEGON.

AEGON's UK life and pension businesses are grouped to cover distinct markets:

- AEGON for individuals, which provides access to pension, protection and investment products for before retirement, at retirement and after retirement. This includes annuities and offshore investment solutions.
- AEGON for corporates, which provides group pension and group protection solutions. We also provide third-party administration services, as well as actuarial advice and investment solutions for trustees. And our marketing and education tools help employers give their employees a better understanding of the options available to them.

We provide technical support and information to financial advisers and policyholders.

Scottish Equitable plc is on the Financial Services Authority (FSA) register (No. 165548).

How to complain

We hope you never have to complain, but if you do, the first step is to write to us. If you're not satisfied with our response, you then raise the issue with:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

Phone: 0845 080 1800
www.financial-ombudsman.org.uk
enquiries@financial-ombudsman.org.uk

If you'd like a copy of our complaints procedure, please ask us, or you can download it from the 'Contact us' section of our website at www.aegonse.co.uk

Referring the matter to the Ombudsman won't affect your right to take legal action later on.

Terms and conditions

This key features only gives you a summary of the main points of the policy. You can find full details in the policy conditions booklet. You should read this carefully, as it'll set out the terms and conditions of the contract between you and Scottish Equitable plc.

You can find more information about the policy in the *Business Protection technical guide*. Please ask your financial adviser for a copy. If you've more questions, or need any more information, your financial adviser will be able to help you.

The policy is regarded as long-term business. Because of this long-term nature, it's impossible to foresee all the possible changes in legislation that may occur during the term of the policy. If there are any changes or new provisions, and these relate to your conditions, we may amend, in good faith, those conditions to take account of those changes. We may make such an amendment without us having to get the consent of anyone who can benefit under the policy.

However, in the unlikely event that such a change in your terms and conditions has an effect on your policy, we'll write and let you know.

Time limits

We'll let you know of any time limits that may apply that aren't covered in your key features or illustration, for example any time limits on underwriting decisions or requirements.

You must let us know if there are any changes in your circumstances between the date you give us your details and the date your policy starts.

Law

The policyholder must be resident in the UK when the contract starts and it will be set up and governed by the law in the part of the UK they live. Otherwise Scots law will apply.

The applicable law can only be changed if both the policyholder and Scottish Equitable plc agree.

Compensation

If this product was recommended to you by a financial adviser, you may have a legal right to compensation if it's established that the recommendation was unsuitable when it was made.

The Financial Services and Markets Act 2000 covers your policy.

You can contact us for information on compensation arrangements. You can also get further information from the Financial Services Authority or the Financial Services Compensation Scheme.

Statement of best practice

This key features document complies with the Association of British Insurers' (ABI) Statements of Best Practice for Critical Illness Cover and Income Protection Cover. These statements were introduced to provide clear comparisons between different providers.

Communication

Our contract with you is in English and any communications about it will also be in English.

Glossary of protection terms

Throughout this document we've highlighted various technical protection terms in blue. The following explanations should help clarify what these mean.

Acceptance terms

The basis on which we're prepared to offer you protection cover, for example the premium we'll charge (which may include additional amounts to cover medical conditions, occupation, travel or dangerous hobbies) and the amount of cover we provide. The cover (terms) we offer may be different to the cover you originally requested.

Deferred period

The period during which a life assured must be ill or disabled before we will pay any benefit.

Experience

What has actually happened, for example the number and amount of claims received, the timing of those claims, and the number of policies sold and the sums assured for those policies.

Irreversible

Cannot be reasonably improved upon by medical treatment and/or surgical procedures used by the National Health Service in the UK at the time of the claim.

Joint life

Two people (lives assured) are covered by the protection policy.

Occupation

A trade, profession or type of work undertaken for profit or pay. It's not a specific job with any particular employer and is independent of location.

Permanent/Permanently

Expected to last throughout the life assured's life, irrespective of when the cover ends or the life assured retires.

Single life

One person (life assured) is covered by the protection policy.

Standard premiums and policy terms

Where we accept the protection cover requested with no changes to the cover you've requested or change in the premium rates used to calculate the premium you need to pay.

Survival period

The period after an insured event that the life assured has to survive before a claim becomes valid. A survival period normally applies to stand-alone critical illness cover or where the death benefit is a different amount from the critical illness benefit.

customer impact

Meeting the customers' needs by putting them at the heart of our industry

We're determined to treat you fairly and communicate clearly with you at all times.

As well as following the Financial Services Authority's Treating Customers Fairly principles, we're fully signed up to the Association of British Insurers' Customer Impact scheme.

Both of these cover how products are designed and marketed, and ensure we deal fairly with all claims and payments.

As part of the Customer Impact scheme, we publicly commit to putting customers at the core of our business and must show how we're achieving this.

For more information www.aegonse.co.uk/customerimpact