

Key features
of the **Personal
Protection policy**

Here you can find the main points about your AEGON Scottish Equitable **Personal 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 April 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 you and your family from the financial consequences of you becoming seriously ill or dying during the benefit term. Your policy can include:
 - **life cover**
This pays out a lump sum if you die.
 - **critical illness cover**
This pays out a lump sum if you're diagnosed with a critical illness that meets one of our policy definitions and then survive for at least 14 days. We only cover the critical illnesses we define in our policy and no others.
 - **life and critical illness cover**
This pays out a lump sum if you either die or are diagnosed with a critical illness that meets one of our policy definitions. We only cover the critical illnesses we define in our policy and no others.
 - **income protection**
This pays a regular benefit amount if you become unable to work and so lose earnings or net profit due to accident or sickness.

Depending on the benefits you've chosen, the payment of the lump sum or monthly 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 Personal 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 over the benefit term in the same way that a repayment mortgage would reduce if it was repayable over the benefit term at a yearly mortgage 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 repayment mortgage.
- If you have benefits with reviewable premiums then your premium may go up or down at each review but 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 your health 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 *Personal Protection technical guide* and your policy conditions booklet.
- If you choose income protection and your earnings 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 your earnings against the benefit amount to check your cover continues to meet your needs and that you're not paying for cover you can't claim.
- If you choose income protection, the amount we pay out if you claim may affect your entitlement to some means-tested state benefits.
- The amount we pay you under this income protection benefit may affect your claim to benefits under other income protection policies.
- The tax treatment of income protection benefits may change.

Your questions answered

What is Personal Protection?

It's a policy that will help protect you and your family financially if you:

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

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

If you don't assign the policy to a lender or place the policy in trust, the benefits will be paid directly to you or your estate and can be used as you see fit. For example, you may choose to use the benefits to pay off your mortgage.

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)*
- when, after the death of one of the lives, the other then dies (known as [joint life](#) second 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.

Gift inter vivos (which is explained in more detail later in this section) and 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.

If you're looking to protect your mortgage payments, you can use Personal Protection with either an interest-only mortgage (for example an endowment or an ISA mortgage) or a capital and interest mortgage (a repayment mortgage). The amount paid out on a claim is designed to cover the outstanding mortgage, depending on the type of mortgage you have and the type and level of benefits you choose.

Now let's look at the main benefits available from Personal Protection in more detail:

What are the main benefits?

[Life protection/Reducing life protection](#)

Life protection pays out a cash lump sum if you die or are 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 level life protection we also offer [joint life](#) second event cover. This is a form of life protection where there are two lives assured and we only pay out if, after the death of one of those covered, the other also dies or is diagnosed with a terminal illness during the benefit term.

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 repayment mortgage would reduce if it was repayable over the term at a yearly mortgage interest rate of 10%. It'll never pay out more than the original benefit amount.

Critical illness protection/Reducing critical illness protection

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

For reducing 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 repayment mortgage would reduce if it was repayable over the term at a yearly mortgage interest rate of 10%. It'll never pay out more than the original benefit amount.

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

Life with critical illness protection pays out a lump sum if you either die or are 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 repayment mortgage would reduce if it was repayable over the term at a yearly mortgage interest rate of 10%. It'll never pay out more than the original benefit amount.

Family income benefit

Family income benefit protection pays out a monthly income until the end of the benefit term if you either die or are 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.

Critical illness family income benefit

Critical illness family income benefit protection pays out a monthly income until the end of the benefit term if you are diagnosed with a critical illness that meets one of our policy definitions and then survive for at least 14 days. We only cover the critical illnesses we define in our policy conditions and no others.

Life with critical illness family income benefit

Life with critical illness family income benefit protection pays out a monthly income until the end of the benefit term if you either die or are 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.

Gift inter vivos

Gift inter vivos pays out a lump sum if you die during the benefit term. This is a special form of life protection where the amount we'd pay out on a claim reduces over the seven-year term. This is designed to help cover a possible inheritance tax liability during the seven years following you making a gift.

Income protection

We'll pay you a regular benefit amount if, due to accident or sickness, you become unable to work and so lose earnings or net profit.

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 you 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 your [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 you 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 *Personal Protection technical guide*.

Waiver of premium benefit is automatically included with income protection and will usually cover payment of your premiums while we're paying your benefit. See the 'Income protection premium payments while claiming' section on page 8 for more details.

The benefit amount we can pay under income protection

When choosing the benefit amount you need, you should remember that the maximum amount we can allow is the lower of 55% of your total earnings and £130,000 a year. The actual amount of benefit we'll pay if you make a claim will be based on your pre-incapacity earnings. We limit the amount of the benefit because tax and National Insurance contributions are deducted from your normal earnings but not from the benefit amount we'll pay you. By total earnings we mean 'income that will be lost in the event of incapacity', so this may include regular income such as salary, commission, bonuses and overtime.

If you're self-employed, your pre-incapacity earnings are your net profit from your occupation averaged over the last three years before you became incapacitated, as assessed for income tax and as shown on an agreed tax return provided by the Revenue.

If you're not in paid employment the maximum benefit amount we can pay out can't be more than £1,250 a month. You can find the definition of pre-incapacity earnings in the 'What benefits are available?, Income protection – How much benefit can be paid?' section of the *Personal Protection technical guide*. Please also see the section 'Other income which may reduce what we pay you'.

When income protection payments start

When you're 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. You can choose a [deferred period](#) of 4, 8, 13, 26 or 52 weeks. Generally the longer the [deferred period](#), the cheaper your policy will be.

How long can we pay out income protection payments for?

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

- the end of the benefit term
- your death
- you 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 *Personal Protection technical guide*)
- you no longer suffering a loss of earnings

Your income protection cover won't end when your claim ends if the benefit term 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, this must be no later than your planned retirement date or your 65th birthday if sooner. You decide the term for your income protection cover when you take out the benefit.

Assessing your income protection claim

There are three definitions of incapacity (own [occupation](#), any suited [occupation](#) and activities of daily work) and your policy schedule will show you which one applies (you can find further details on the incapacity definitions in the 'What benefits are available?, Income protection' section of the *Personal Protection technical guide*).

If your definition of incapacity is own [occupation](#) or any suited [occupation](#), any claim you make will be assessed on your [occupation](#) immediately before your incapacity started. We'll also ask for evidence of your loss of earnings or net profit. You'll qualify for income protection benefit payments if you satisfy the definition of incapacity resulting in a loss of earnings or net profit. See the 'How much benefit can be paid' section of the *Personal Protection technical guide* for the definitions of pre-incapacity earnings.

If you're not in paid employment at the time of claim, then we'll use the activities of daily work definition of incapacity to assess your claim and we'll limit the maximum amount we pay you to £1,250 a month. The [deferred period](#) will be increased to 13 weeks for benefits which had a 4- or 8-week [deferred period](#).

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 you can make during the term of your income protection benefit. 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 you satisfy the definition of incapacity, then the [deferred period](#) won't apply.

Returning to part-time or less well-paid work

If you're no longer able to fully carry out your normal [occupation](#) but return to work in a reduced role or if you take up different work at a lower income, we would support you by continuing to pay a monthly benefit amount. This would be at a reduced level dependent on your new income. (You can find details of how we calculate this in the 'What benefits are available?', Income protection – Proportionate benefit' and the 'Rehabilitation benefit' sections of the *Personal 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 them while we're paying you benefit under your income protection cover. However you'll need to start paying premiums once you start working again even if the work is on a part-time basis or you're in a different occupation.

Other income which may reduce what we pay you

We'll reduce your benefit amount if any of the following take you over the maximum benefit amount we can allow (see 'The benefit amount we can pay under income protection' section):

- continuing payments from your employer such as sick pay
- any ongoing income from a business or company
- pension payments – unless you'd have received them if you were still working
- other insurance benefits – if they pay out because of your incapacity and are paid to you or to someone else for you, such as, but not limited to, mortgage payments

We won't reduce your benefit amount if you receive:

- income support or other means-tested state benefits; however, our payment may affect your eligibility for means-tested state benefits
- investment income
- state incapacity benefit

If we have to reduce your 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 *Personal Protection technical guide*.

How flexible is it?

Personal Protection has been designed to allow you to change your cover if and when your personal 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. And we may be able to make some of these without you having to provide us with further medical and financial evidence, for example if you get married and/or if you increase your mortgage due to buying another house or improving your current home during the policy term. Other changes may need us to carry out a fresh assessment of your health, [occupation](#) and pastimes. If you make any changes to your policy, your premiums will change. You can find details of how flexible Personal Protection is in the *Personal 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

Free cover

Free cover is available if you have life protection, reducing life protection, life with critical illness protection or reducing life with critical illness protection and you're taking out cover to protect your mortgage and you've been accepted on our [standard premiums and policy terms](#). It provides you with protection cover whilst you're waiting for your property purchase to complete.

The amount of cover is limited to a maximum of £500,000. If you've applied for critical illness protection, reducing critical illness protection and/or total and permanent disability protection on your policy, then we'll also provide these on a free cover basis but only up to the amount of your life protection cover. The free cover will start on the later of the date we send you our [acceptance terms](#) or the date you exchange contracts, and will continue for 90 days after the date we send you [acceptance terms](#) or until completion of the mortgage, whichever is the earlier. It'll stop if we decide we're currently unable to offer you insurance.

Accidental death benefit

If you choose life protection, reducing life protection, life with critical illness protection, reducing life with critical illness protection, family income benefit or life with critical illness family income benefit, then we automatically include accidental death benefit.

If you die as a result of an accident, while we're assessing your application, we'll pay out a lump sum. 'Accidental death' means 'death within 72 hours following accidental bodily injury resulting solely and independently from causes not related to or contributed to by any pre-existing illness, disease or physical disorder'. Accidental death excludes death as a result of suicide.

The following conditions apply to accidental death benefit:

- It'll start from the date we receive a fully completed application and Direct Debit instruction.
- You must be under the age of 55 (any accidental death benefit cover will stop on your 55th birthday).
- It'll be limited to the lower of £250,000 or the sum assured.
- It'll last for up to 60 days or until we decide we cannot currently offer you insurance or 21 days after the issue of [acceptance terms](#), whichever is earliest.
- We won't pay any claims where the accidental death is caused by self-inflicted injury, hazardous pursuits, alcohol or drug abuse, war and civil commotion, flying or any pre-existing conditions (see 'What will stop the policy from paying out' section).

It's not available if you've applied for similar cover elsewhere. If you've opted for free cover, any accidental death benefit will automatically stop when the free cover starts.

You can find more details on this, including a full list of the circumstances in which we won't pay a claim, in the 'What other benefits can I choose?', *Accidental death benefit* section of the *Personal 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 you become unable to work. We'll continue to pay premiums for as long as you continue to meet the definition of incapacity. The [deferred period](#) will start from the date of incapacity and will be 26 weeks unless you also have 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 income protection in the 'What benefits are available?', *Income Protection, when will income protection start?* section of the *Personal Protection technical guide*.

Renewal option

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 having to provide any more information about your state of health. Your premium will be based on our premium rates and your 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, family income benefit, critical illness family income benefit, life with critical illness family income benefit or 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%.

Legislation option

If you choose gift inter vivos, you can select this option. It allows you to increase the benefit amount and/or increase the benefit term if a change in inheritance

tax legislation increases your potential tax liability. You won't need to provide any more information about the state of your health with this option.

You can find further information on this in the 'What other benefits can I choose?', Legislation option' section of the *Personal Protection technical guide*.

Total and permanent disability benefit

You can choose to add this benefit to any of the main benefits, with the exception of life protection if set up on a [joint life](#) second death basis, gift inter vivos and income protection. We'll pay you this benefit if you're unable to do your 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 'What other benefits can I choose?, Total and [permanent](#) disability' section of the *Personal Protection technical guide*.

What benefits are automatically included?

We automatically include the following benefits at no extra cost.

Terminal illness

Terminal illness benefit is included in all main benefits except gift inter vivos and income protection. We'll pay out on this if you're 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, reducing life protection and family income benefit protection the policy must have at least one year left to run from the time the claims criteria are met.

Critical illness protection for children

If you choose critical illness protection, reducing critical illness protection, life with critical illness protection, reducing life with critical illness protection, critical illness family income benefit or life with critical illness family income benefit, then your natural and legally adopted children will be covered for children's critical illness protection between the age of 30 days and their 18th birthday. If your child is diagnosed with and meets the policy definition of one of the conditions listed, we'll pay 50% of the benefit amount at the time of the claim, up to a maximum of £20,000. We won't pay a claim where the critical illness results directly or indirectly from a condition the child had before they became covered by the policy. You can find more details on this in the 'What benefits are automatically included?, Children's critical illness protection' section of the *Personal Protection technical guide*.

Guaranteed insurability options

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

What medical and other details are needed?

Your application includes questions about your medical history, finances and other personal circumstances so that we can assess your application fairly. This assessment may also include a medical examination, which we'll pay for.

When does the policy pay out?

Your personal illustration 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 and the *Definitions guide*.

These typically use medical terms to describe the illnesses but in some cases the cover may be limited. For example,

- Some types of cancer are not 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 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 a claim and the ticks indicate which benefits they apply to. You can find full definitions for each of the reasons on the following pages.

	Life protection, Reducing life protection, Family income benefit, Gift inter vivos	Life with critical illness protection, Reducing life with critical illness protection and Life with critical illness family income benefit	Critical illness protection, Reducing critical illness protection and Critical illness family income benefit	Income protection	Waiver of premium	Total and permanent disability protection	Accidental death benefit
Alcohol or drug abuse	✓*	✓*		✓	✓	✓	✓
Flying							✓
Hazardous sports and pastimes							✓
HIV/AIDS				✓	✓	✓	
Travelling and living abroad		✓	✓			✓	
Living abroad				✓	✓		
Pre-existing conditions							✓
Self inflicted injury							✓
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.

Flying

We won't pay a claim if death occurs whilst taking part in any flying activity, other than as a passenger in a commercially licensed aircraft.

Hazardous sports and pastimes

We won't pay a claim if death occurs whilst taking part in (or practising for) boxing, caving, climbing, horse-racing, jet skiing, martial arts, mountaineering, off-piste skiing, pot-holing, power-boat racing, underwater diving, yacht racing or any race, trial or timed motor sport.

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 is not 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 the benefits listed.)

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.

Pre-existing conditions

We won't pay a claim if death is wholly or partly contributable to any physical or medical condition that the life assured was aware of at the time of the application.

Self-inflicted injury

We won't pay a claim if death occurs as a result of an intentional self-inflicted injury.

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 is caused by unreasonable failure to seek or follow medical advice. (This exclusion only applies to the critical illness element of the 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 benefits listed.)

What do I have to pay?

You can find details of your premiums in your personal illustration. 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, your gender, your age, whether you smoke, your medical history, your [occupation](#), any hazardous pursuits you'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. However, the following have reviewable premiums only: critical illness protection, reducing critical illness protection, critical illness family income benefit and life with critical illness family income benefit. And the following have reviewable or guaranteed premiums: life with critical illness protection, reducing life with critical illness protection and income protection.

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 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 *Personal Protection technical guide* and 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 *Personal 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 you'll 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 you're in good health
- ask for proof that your [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?

Under current tax rules, you won't have to pay income tax or capital gains tax on any of the benefits we pay you. But tax rules can change, so for more information about the tax treatment of your policy, including the impact on your inheritance tax position, please speak to your financial adviser.

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 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

If you don't exercise your right to cancel within the 30 days allowed then we won't automatically return your premium to you.

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've 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

Other information

AEGON Scottish Equitable

We're now AEGON Scottish Equitable and, although we've been part of AEGON since 1994, we think it's become increasingly important to link Scottish Equitable's 175 years of experience 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 £250 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

If you ever need to complain, first write to us at the address shown on the previous page. If you're not satisfied with our response, you can complain to:

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

Complaining 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 AEGON Scottish Equitable.

You can find more information about the policy in the *Personal 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 AEGON Scottish Equitable 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) Statement of Best Practice for Critical Illness Cover and Income Protection Cover. These statements were introduced to provide clear comparisons between different providers.

ABI guide to critical illness

The ABI has produced a guide to critical illness cover. For your free guide please contact:

The Association of British Insurers
51 Gresham Street
London
EC2V 7HQ

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 is 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.

