

THE KEY FEATURES OF THE AXA PROTECTION ACCOUNT

keyfacts®

Business Protection

This document gives you information about the types of cover and options available through the AXA Protection Account, to help you make an informed decision about the business protection covers you need. Please read it with your Quotation, which shows the amount you would be required to pay for the covers you have selected. This Key Features document relates to AXA protection covers only and not other protection covers that may be recommended by your Adviser.

This document sets out the main points about the AXA Protection Account. It does not include all the definitions, exclusions, terms and conditions. Full details about your AXA Protection Account will be sent to you once your AXA Protection Account has started. This document is effective for covers with a quotation produced on or after April 16th 2007.

Reference to 'You' and 'Your AXA Protection Account' throughout this document relate to you as the owner of the AXA Protection Account or you as the representative of your business.

Cover can be provided for key people, employees, partnerships and other parties who are referred to in this document as the person(s) covered.

Its aims

- To provide a convenient 'account' that brings together different protection covers in one place. According to the covers you choose this may provide:
 - a lump sum in case of death, suffer a terminal or specified critical illness or injury, or undergo a specified surgical procedure during the length of cover; or incapacity of a covered partner/shareholder of the business during the length of cover - allowing the flexibility to buy out their share of the business if necessary;
 - cover for business loan repayments if the person(s) covered die or become incapacitated;
 - protection for your business needs by providing a lump sum if a covered key person in your business dies or becomes incapacitated;
 - an income to pay a covered employee's salary and other benefits if they become incapacitated and unable to work; and
 - protection for your payments for the selected covers.
- To provide your business with the amount of cover you choose, for the period you require.
- To let you add, remove or adjust different covers as your business needs change, depending on the covers provided by AXA at the time.

Your commitment

- You need to:
 - ensure that the type, level and length of cover you select is appropriate for your business needs;
 - ensure that all person(s) covered give full and true answers to all questions to the best of their knowledge. If they do not do so, their insurance may not protect them in the event of a claim;
 - tell us about any change in circumstances of the person(s) covered e.g illness, disability or accident that happens between completing the application form and your AXA Protection Account starting;

understand the exclusions and restrictions that apply to the covers you select; and

- make regular payments for the duration of your covers;
- increase your payments each year where you have chosen increasing cover levels.

- The amount you need to pay for your cover could increase if you alter your cover or select increasing or reviewable options. Please see the individual cover sections for further details.
- When you want to make a claim, you must tell us as soon as possible. Certain covers have set time frames within which AXA needs to be contacted. If these apply, they will be detailed in the 'When do I need to tell AXA about a claim?' section for each relevant cover.
- You should review and update the covers in your AXA Protection Account regularly to ensure that they remain adequate for your business needs.
 - you must provide all information that we request when you make a claim. If you do not do this it may mean that the claim may not be paid.

Risk factors

- If you do not provide full and true answers to the best of your knowledge on your application form, or when you claim, we may not pay your claim.
- The AXA Protection Account and its covers do not have a cash-in value at any time. They will only pay out if events that are covered happen.
- Cover is not automatic and is subject to underwriting and acceptance. If we are unable to offer acceptance on standard terms we will contact you with details of cover available and a revised Quotation or with reasons why we cannot provide cover.
- If payments are not made when due, cover will stop.

There are some situations where we are unable to pay a claim. Please see the 'What will stop the cover paying out?' sections for each cover. Any specific exclusions are also shown in your Cover schedule.

- If you choose cover on a reviewable basis, you may need to increase your payments in the future. Please see the relevant individual cover sections for further details.
- Inflation may, over time reduce the value of any benefits payable. Please see the relevant individual cover sections for further details.
- The present tax treatment of the covers may change.
- Cancelling, replacing, or amending covers taken out prior to April 2007 that contain the previous ABI Critical Illness model definitions may result in you not being able to obtain the same level of cover - please check with your financial adviser if you require further information.

Risks that apply to specific covers will be clearly shown in a box in the relevant sections.



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Please read the sections relevant to the covers you have selected as part of your AXA Protection Account.

AXA Protection Account at a glance

The AXA Protection Account enables you to put the protection covers you need in one place. You can tailor the covers to suit the needs of your business at a particular time, then adapt them as your needs change. Of course, all covers are subject to acceptance terms.

The covers available are:

- **Life Cover**
- **Critical Illness Cover**
- **Life or Earlier Critical Illness Cover**
- **Executive Income Protection Cover**

Your Quotation will show the covers you have selected.

More information about each cover is given in the following sections of this document. You should also read the 'Further Information' section on page 21.

The AXA Protection Account provides cover for people who, at the start of their AXA Protection Account, are living in England, Scotland, Wales or Northern Ireland and are aged 18 or over.

Certain covers are affected by becoming resident outside of these countries, please see the individual cover sections within this Key Features.

Once my AXA Protection Account starts can I make any changes?

You can change the way that your covers are set up, for example increasing or decreasing the amount of cover you have or changing the length of cover that you have selected.

The amount you need to pay will increase if you add to or improve the level of cover in your AXA Protection Account.

All changes are subject to the terms and conditions that apply at the time of the change. Some changes will require up-to-date information about the health, occupation or pastimes of the person(s) covered.

Other changes can be made without the need for us to ask further questions about personal circumstances, including health. These are called **Guaranteed Options**.

The options we cover include increasing the amount of cover to correspond with:

- an increase in the shareholding or share value
- an increase in the value of a key person
- a business loan

There is also an option to change the length of the cover to correspond with:

- a business loan

These options apply to all business protection covers other than Executive Income Protection Cover. The option that applies to Executive Income Protection Cover allows employees to continue their cover on an individual basis if they leave your employment.

Maximums apply to amounts and lengths of cover.

The current total increase allowed for all Guaranteed Options, for each person covered, is £150,000 if payable as a lump sum, or £750 each month if payable as an income.

Any increase in your cover will mean an increase in the amount you need to pay.

Guaranteed Options only apply if the person covered is aged 50 or under at the start of cover and have been accepted on standard terms at the start of the AXA Protection Account. Specific conditions apply to Guaranteed Options including the amount of cover and the timescale in which we must be notified of the change in circumstances. More information about each option is shown in your **Cover details**.

What will stop the covers from paying out?

This will depend on the types of cover chosen. Please see the 'What will stop the covers from paying out?' section for each of the covers you have selected for more information.

Your Quotation shows which covers will apply to you.

If you do not provide full and true answers to the best of your knowledge on your application form, or when you claim, we may not pay your claim.

Am I covered while my application is being processed?

When you apply for Life Cover, Critical Illness Cover or Life or Earlier Critical Illness Cover we will provide you with **Free Cover** providing the person(s) you are applying for cover for are UK residents, under age 60 and you are not making applications to other companies for similar cover.

Free Cover is a temporary arrangement while we process your application. Free Cover starts as soon as we receive your completed application form and Direct Debit Instruction(s). Free Cover is provided until either your application is accepted on standard terms, we offer you alternate terms or we decline cover. If we offer you alternate terms, we will provide a further 14 days of Free Cover. If prior to accepting or declining your application we ask for more information to help us make our decision, we will provide up to 30 additional days of Free Cover from the date of requesting that additional information. If, following underwriting, any of the requested cover(s) are unavailable then Free Cover ceases in respect of that cover(s) upon notifying you of our underwriting decision.

An overall maximum time period of 90 days applies to Free Cover, it is not contractually part of your AXA Protection Account. Free Cover also stops when your Account/Cover starts.

If you decide to apply for cover using the Tele-underwriting service, the Tele-underwriting interview must take place within 21 days of submitting the application and direct debit. If the interview has not taken place within 21 days, Free Cover will stop. If the application is for joint cover, both must have had their interview within the 21 day period.

If you select	Benefit
Life Cover	A lump sum is paid if a person applying for cover dies.
Critical Illness Cover	A lump sum is paid if a person applying for cover suffers a specified critical illness or injury, or undergoes a specified surgical procedure.
Life or Earlier Critical Illness Cover	A lump sum is paid if a person applying for cover dies; or suffers a terminal or specific critical illness or injury, or undergoes a specified surgical procedure – whichever event happens first.

The temporary Free Cover won't pay out if a person covered commits suicide, intentionally harms themselves, or if the claim is as a result of the person(s) covered participating in a hazardous pursuit (a definition of a hazardous pursuit is available from your Financial Adviser).

The temporary Free Cover also won't pay out if the claim is related to any condition that you could reasonably have been expected to be aware of at the time of completing your application including conditions for which you have received advice or treatment from a medical practitioner; conditions which you should have been aware of before completing the application form; or symptoms which you had experienced which relates to a physical or mental condition.

You will normally receive an amount equal to the level of cover being applied for. The maximum amounts for Free Cover are £500,000 for Life Cover and £350,000 for Critical Illness Cover.

Can I write my covers in trust?

Life Cover, Critical Illness Cover and Life or Earlier Critical Illness Cover can be written under trust. This can be done when you apply for cover or while the cover is in force. Please see the relevant cover sections for more information.

Will I ever need more than one AXA Protection Account?

Sometimes, for example for trust purposes, we will set up more than one AXA Protection Account for you. When we do this, you will receive a set of documentation for each AXA Protection Account.

What are the charges?

There is an Account Fee of £2 per month. Regardless of the number of covers you select there is only one fee. In some instances, where multiple AXA Protection Accounts are set up the Account Fee will be waived on the second and subsequent accounts at AXA's discretion.

The Account Fee includes allowance for the provision of benefits and services such as the Assistance helplines. These helplines are

provided by AXA Assistance UK Ltd and further details can be found in our 'AXA Protection Account Guide'. Your Financial Adviser can provide you with a copy.

The payments that you make cover the cost of providing the cover and also our charges and expenses, including any commission paid to Financial Advisers.

How much will I pay?

Your Quotation shows the payments you need to make for the covers you have selected. Payments will need to be made by Direct Debit.

The payments are based on a number of factors, depending on the type of cover you select. Typically, these factors will include the amount of cover you select, how long the cover will last, the age, sex, occupation, and pastimes of the person(s) covered as well as whether they smoke or not and their medical history.

Some covers offer you a choice of payment types:

- guaranteed payments which are fixed for the length of cover (unless, for example, you increase the amount of your cover); or
- reviewable payments which are subject to review and can change.

Please see the individual cover sections for more information.

Once your application has been assessed by our underwriters, your payment may increase depending on the personal circumstances of the person(s) covered. Any changes to the amount you pay will be agreed with you before your AXA Protection Account starts.

Any extra covers you add at a later date will increase the amount you need to pay.

Can I change my mind?

When your AXA Protection Account has been set up, we will send you a Cancellation Form along with the rest of the documents for your AXA Protection Account. You can change your mind about any or all of the covers you have selected within 30 days of receiving this form.

Any payments you have made will be refunded providing you have not made a claim and your cover will then end.

If you decide that you want to cancel one or more of the covers in your AXA Protection Account, simply complete the Cancellation Form before the end of the 30 day period and return it to us at:

AXA Protection Account
AXA Sun Life plc
PO Box 1810
Bristol
BS99 5SN
United Kingdom

Once the 30 day period is over, you can terminate your cover(s) at any time by writing to us. You will not normally receive a refund of payments made.

If your Adviser has advised you that you are either:

- a) a commercial customer; or
- b) a retail customer and you did not receive advice on a face to face basis;

then you have no statutory right of cancellation. However, AXA is providing this as part of our commitment to treating customers fairly.

Non payment of premiums

We reserve the right to cancel this Account immediately on written notice in the event of non payment of the premium or default if You are paying by instalments.

What if I stop paying?

You can stop paying monthly instalments for covers at any time but this will mean that your covers will stop.

For all covers, cover will end 30 days from the date that the last payment was due.

There is no cash-in value for any of the covers within the AXA Protection Account.

What will stop the AXA Protection Account from paying out?

There are certain circumstances where we will be unable to pay a claim, depending on the types of cover chosen.

The AXA Protection Account will not pay out if the cause of the claim is a standard exclusion, or a specific exclusion that you agreed to when accepting the terms of your AXA Protection Account.

Standard exclusions are outlined in this document under the sections 'What will stop the cover paying out?'. Specific exclusions will be shown in your Acceptance letter and Cover schedule. Please speak to your Financial Adviser if you have any questions or concerns.

You need to give full and true answers to all questions to the best of your knowledge. If you do not do so, your insurance may not protect you in the event of a claim.

For some benefits a specified definition must be met prior to a claim being payable.

You must tell us about any change in circumstances e.g. illness, disability or accident that happens between completing your application and your AXA Protection Account starting. If you do not, your claim may not be payable.

Who is the provider of my cover?

The covers available under the AXA Protection Account are underwritten by AXA Sun Life plc.

Life Cover

What is Life Cover?

Life Cover pays out a lump sum if during the length of cover a person covered:

- dies; or
- is diagnosed as suffering from a terminal illness which is expected to cause death within 12 months of diagnosis and before the cover is due to end.

The lump sum will be equal to the Life Cover and is payable only once – either on death or diagnosis of a terminal illness. The cover will then end. This applies whether one or two persons are covered.

If the Life Cover is written in trust, we will pay the benefit to the nominated trustees. For more details on writing this cover in trust, please see your Financial Adviser.

What types of cover are available?

Depending on the cover(s) selected you may be able to choose level, increasing or decreasing cover.

Where **level cover** is selected, the amount of cover will stay the same throughout the length of cover, your payments will stay the same except if you change the cover.

Where **increasing cover** is selected, the amount of cover will increase on each anniversary of the start date of your AXA Protection Account, in line with the change in the Retail Prices Index (RPI) subject to a maximum of 10% in any year. Your payments will increase at 1.4 times the rate of increase in cover, e.g if RPI increases by 2.5%, your payments will increase by 3.5%.

We will write to you in advance to let you know your new level of cover and the new amount you will need to pay.

You can ask us to freeze the level of cover and payment at an AXA Protection Account anniversary so that it stops increasing. If you choose to do this, the value of the amount paid at the time of a claim may be lower due to inflation. If you subsequently decide to add back these regular increases, we will need to collect new underwriting information.

Where **decreasing cover** is selected, the amount of cover will reduce each year on the anniversary of the start date of your Life Cover. The amount of cover is calculated to match the maximum amount outstanding on a loan in the next 12 months (based on a decreasing loan and

the interest rates shown on your Quotation). This is the basis regardless of the purpose of cover (for example if not taken out to cover a loan).

Your payments will remain the same throughout the length of cover.

Regular reviews of your cover with your Financial Adviser will ensure it remains appropriate for your changing needs.

Does decreasing cover guarantee to repay my outstanding loan?

No. The amount of cover will decrease in line with the amount outstanding under a loan assuming the interest rate shown on your Quotation.

Depending on the covers selected, the cover will repay your outstanding loan if a person covered dies or is diagnosed as suffering from a terminal illness before the cover is due to end, providing:

- the initial amount of cover was not less than the amount of the original loan;
- loan payments are kept up to date;
- the term of the loan has not been extended;
- the length of cover is at least as long as the outstanding term of the loan;
- any further loans are separately covered; and
- the loan interest rate does not exceed that shown on your Quotation.

You should check interest rate increases regularly to ensure that your loan interest rate does not increase above the interest rate shown on your quotation. If this happens you may not have sufficient cover. Please speak to your Financial Adviser if you have any questions.

Are there any additional covers provided?

Yes. The following cover is automatically included in the AXA Protection Account at no extra cost when you take out Life Cover.

What is the cover called?	Briefly, what is the benefit?
Replacement Cover	If you select joint cover and a claim is payable on one person's terminal illness or death, the Life Cover will end. Replacement Cover allows the non-claiming person to set up a new individual Life Cover without further underwriting.

- Life Cover
- Critical Illness Cover
- Life or Earlier Critical Illness Cover
- Income Protection and Mortgage Income Protection Cover
- Payment Protection Cover
- Accident, Sickness and Unemployment Cover
- Household Cover
- Further Information

Are there any additional covers available that cost extra?

Yes. Payment Protection Cover can be added and will continue your payments on your behalf if any person covered is unable to work due to illness or injury. Please see the Payment Protection Cover section on page 19 for more details.

How long will the cover last?

This will depend on the cover basis you choose.

<p>Life Cover</p>	<p>You choose the length of the cover – between 1 and 40 years.</p> <p>Cover is available to those aged between 18 and 68 at the time the cover starts and must end before the 70th birthday of the person(s) covered.</p>
<p>Life Cover 5 Year Renewable</p>	<p>The length of cover is 5 years, but after each 5 year period you have the option to renew it for a further 5 years without any further underwriting providing the cover ends before the 70th birthday of the person(s) covered.</p> <p>If you renew the cover, your payments will be recalculated based on the age of the person(s) covered and our terms and conditions at that time.</p> <p>Cover is available to those aged between 18 and 64 at the time the cover starts.</p>

Can the payments change?

Your payments are guaranteed and will not change during the length of your cover. This applies unless you make any changes or select increasing cover, which is subject to automatic increases of the amount you need to pay.

What will stop the Life Cover from paying out?

There are no general exclusions.

In the case of a terminal illness claim, the definition of terminal illness must be met.

Any specific exclusions will be detailed in your Acceptance letter. They also appear in your Cover schedule in the section 'When we will not pay a claim' which is sent to you once your AXA Protection Account has started.

If you do not provide full and true answers to the best of your knowledge on your application form, or when you claim, we may not pay your claim. You must tell us about any change in circumstances e.g. illness, disability or accident that happens between completing your application and your AXA Protection Account starting. If you do not, your claim may not be payable.

What about tax?

The tax position of the payments and the proceeds of the cover will depend on the nature of the business (e.g sole proprietor, partnership or company) and the purpose of effecting the cover (e.g partner/shareholder protection assurance, cover for a business loan or key person protection for business). Your Financial Adviser will be able to provide you with advice.

Tax rules and rates can change and are subject to individual circumstances. The information shown here is based on our interpretation of current HM Revenue & Customs practice.

Critical Illness Cover

What is Critical Illness Cover?

Critical Illness Cover pays out a lump sum if during the length of cover a person covered:

- survives for 14 days after diagnosis of a specified critical illness;
- is diagnosed as suffering from a terminal illness which is expected to cause death within 12 months of diagnosis and before the cover is due to end; or
- undergoes a specified surgical procedure.

The lump sum will be equal to the Critical Illness Cover and is payable only once – either on diagnosis of a critical illness or a terminal illness. The cover will then end. This applies whether one or two persons are covered.

We only cover the critical illnesses we define in our Cover details and no others.

Cover is available to those aged between 18 and 64 when the cover starts and must end before the 70th birthday of the person(s) covered.

If the Critical Illness Cover is written in trust, the benefits will be paid out according to how the trust has been set up. For more details on writing this cover in trust please speak to your Financial Adviser.

What critical illnesses are covered?

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 your Cover details. These typically use medical terms to describe the illnesses but in some cases the cover may be limited.

We also recommend that you read our 'Critical Illness Guide', which provides the full definitions of the critical illnesses covered together with information about how we will handle your claim.

- **Alzheimer's Disease** - resulting in permanent symptoms*
- **Aorta Graft Surgery** - for disease or traumatic injury*
- **Aplastic Anaemia** - of specified severity

- **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 by-pass grafts** - with surgery to divide the breastbone*
- **CJD** - resulting in permanent symptoms
- **Deafness** - permanent and irreversible*
- **Heart Attack** - of specified severity*
- **Heart Valve Replacement or Repair** - with surgery to divide the breastbone*
- **HIV infection** - caught in the UK from a blood transfusion, a physical assault or at work in an eligible occupation*
- **Kidney Failure** - requiring dialysis*
- **Liver Failure** - end stage
- **Loss of Independent Existence**
- **Loss of Hands or Feet** - permanent physical severance*
- **Loss of Speech** - permanent and irreversible*
- **Major Organ Transplant** *
- **MotorNeurone Disease** - resulting in permanent symptoms*
- **MultipleSclerosis** - with persisting symptoms*
- **Paralysis of Limbs** - total and irreversible*
- **Parkinson's Disease** - resulting in permanent symptoms*
- **Pre-Senile Dementia**
- **ProgressiveSupranuclear Palsy** - resulting in permanent symptoms
- **Rheumatoid Arthritis** - resulting in permanent symptoms
- **Severe Lung Disease** - of specified severity
- **Stroke** - resulting in permanent symptoms*
- **Third Degree Burns** covering 20% of the body's surface area*
- **Traumatic Head Injury**- resulting in permanent symptoms*

* model definitions

Life Cover

Critical Illness Cover

Life or Earlier Critical Illness Cover

Executive Income Protection Cover

Payment Protection Cover

Further Information

The Association of British Insurers (ABI) have published model definitions for many of the critical illnesses. Where applicable, these model definitions have been adopted. Although both the ABI and AXA's critical illness definitions may change for cover starting in the future, at no time after your cover has started will its scope be further restricted.

What types of cover are available?

You can choose level, increasing or decreasing cover.

Where **level cover** is selected, the amount of cover will stay the same throughout the length of cover. Your payments will stay the same except if you change the cover or payments are reviewable and have changed following a review. Please see page 11 for further information about reviewable payments.

Where **increasing cover** is selected, the amount of cover will increase on each anniversary of the start date of your AXA Protection Account, in line with the change in the Retail Prices Index (RPI) subject to a maximum of 10% in any year. Your payments will increase at 1.4 times the rate of increase in cover, e.g if RPI increases by 2.5%, your payments will increase by 3.5%.

We will write to you in advance to let you know your new level of cover and the new amount you will need to pay.

You can ask us to freeze the level of cover and payment at an AXA Protection Account anniversary so that it stops increasing. If you choose to do this, the value of the amount paid may be lower due to inflation. If you subsequently decide to add back these regular increases, we will need to collect new underwriting information.

Where **decreasing cover** is selected, the amount of cover will reduce each year on the anniversary of the start date of your Critical Illness Cover. The amount of cover is calculated to match the maximum amount outstanding on a loan in the next 12 months (based on a decreasing loan and the interest rates shown on your Quotation). Your payments will remain the same throughout the length of cover.

Regular reviews of your cover with your Financial Adviser will ensure it remains appropriate for your changing needs.

Does decreasing cover guarantee to repay my outstanding loan?

No. The amount of cover will decrease in line with the amount outstanding under a loan assuming the interest rate as shown on your Quotation. Depending on the covers you have selected, the cover will repay your outstanding loan if a person covered is diagnosed as suffering from a terminal illness, is diagnosed with a specified critical illness or becomes totally and permanently disabled before the cover is due to end, providing:

- the initial amount of cover was not less than the amount of the original loan;
- loan payments are kept up to date;
- the term of the loan has not been extended;
- any further loans are separately covered;
- the length of cover is at least as long as the outstanding term of the loan; and
- the loan interest rate does not exceed that shown on your Quotation.

You should check interest rate increases regularly to ensure that your loan interest rate does not increase above the interest rate shown on your Quotation. If this happens you may not have sufficient cover. Please speak to your Financial Adviser if you have any questions.

Are there any additional covers provided?

Yes. The following covers are automatically included in your AXA Protection Account at no extra cost when you take out Critical Illness Cover.

What is the cover called?	Briefly, what is the benefit?
Total Mastectomy Cover	A lump sum is paid to you if you are diagnosed with carcinoma in-situ of the breast and after a total Mastectomy has taken place. The amount paid is the lower of £15,000 and 20% of the amount of cover.
Replacement Cover	If you select joint cover and a claim is payable on one person's critical illness, the Critical Illness Cover will end. Replacement Cover allows the non-claiming person to set up a new individual Critical Illness Cover without further underwriting.

Are there any additional covers available that cost extra?

Yes. You can take out **Total and Permanent Disability Cover** alongside Critical Illness Cover.

This cover provides a lump sum if the person(s) covered become totally and permanently disabled as a result of an illness or injury. Your Critical Illness Cover and Total and Permanent Disability Cover end once a claim has been paid out.

Different definitions of 'totally and permanently disabled' apply depending on the circumstances and age of the person(s) covered. The definition we are able to offer will be confirmed in the AXA Protection Account Quotation issued with your acceptance terms. Further information can be found in the Cover schedule and our Critical Illness Guide. Your Financial Adviser can provide you with a copy.

The additional cost of this cover is reflected in your Quotation if it has been selected.

You may also wish to consider taking out **Payment Protection Cover** to make payments on your behalf if the person(s) covered are unable to work due to illness or injury. Please see the Payment Protection Cover section on page 19 for more details.

Can the payments change?

This will depend on the type of payment basis you choose. Your payments can be either guaranteed or reviewable.

Guaranteed	If payments are guaranteed, they will not change during the length of your cover, unless you make any changes or select increasing cover.
Reviewable	If payments are reviewable, they may change during the length of your cover even if you make no changes or do not select increasing cover. Please see the next section 'How do reviewable payments work?' for more details.

How do reviewable payments work?

If you choose reviewable payments, so that we can offer you a payment which is more affordable when your cover starts, we will calculate it on the basis of assumptions which cover the whole length of your cover but which we will review after 5 years and then every year.

At a review, your payments may increase or reduce. The payments after the review could then be higher than guaranteed payments would have been. If your payment changes at a review then we guarantee it will not change for a further 5 years.

- The assumptions we will review are the future number and timing of claims and the cost of reinsurance.
- We will increase or reduce your payment if our view of these assumptions at the time of the review differs from the view we took of them at the outset (in the case of a first review) or at the last review.
- If the payment indicated by the review is within 10% of the existing payment then the existing payment will not change. There is no limit to the amount by which your payment might increase or reduce, but any increase or reduction will be fair and reasonable.

- Life Cover
- Critical Illness Cover
- Life or Earlier Critical Illness Cover
- Executive Income Protection Cover
- Payment Protection Cover
- Further Information

- We will tell you before we change your payment. If your payments need to increase, you can tell us to keep your payments the same and reduce the amount of your cover instead.
- You will find full details of payment reviews in the 'Payment basis – reviewable' section of your Cover details. You can ask us for a copy of this at any time.
- If you are in any doubt about guaranteed and reviewable payments or which may be suitable for you, please speak to your Financial Adviser.

Risk – Reviewable payment basis

If the predicted cost of providing benefits is higher than expected, you'll either need to increase your payments to keep your chosen cover level going throughout the cover term, or reduce your cover and keep your payments the same.

If the predicted cost of providing benefits is lower than expected, your cover will stay the same but your payments will go down.

How long will the cover last?

The minimum length of cover is 5 years. The maximum is 40 years. Alternatively, you may select cover to run to a specified age providing that the length of cover does not exceed these maximums and ends before the 70th birthday of the person(s) covered.

What will stop the covers from paying out?

We will not pay a claim for Critical Illness Cover or Total and Permanent Disability Cover if:

- the person(s) covered do not survive for 14 days after diagnosis of a specified critical illness;
- the claim was caused by unreasonable failure to follow medical advice;
- the claim was caused by alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner. (This only applies to certain illnesses. We recommend that you read our 'Critical Illness Guide' which provides the full definitions of the critical illnesses.);

- the claim was caused by intentional self-inflicted injury;
- the claim arose directly or indirectly through infection by any Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or related complex unless covered under our definition (see our Critical Illness Guide for the HIV definition);
- the person(s) covered do not meet the relevant definition of terminal illness or critical illness or total and permanent disability;
- medical or other evidence required by us is incomplete or inaccurate;
- the claim is as a result of any excluded cause shown on your Cover schedule; or
- you do not tell us about any change in circumstances e.g. illness, disability or accident that happens between completing the application and the AXA Protection Account starting. If you do not, your claim may not be payable.

Further information is contained in the section 'When we will not pay a claim' in your Cover details, which is sent to you once your AXA Protection Account has started.

In order to make a claim for Critical Illness Cover or Total and Permanent Disability Cover, the person(s) must be in, or return to, one of the permitted countries to provide evidence in support of the claim. The permitted countries are: Andorra, Australia, Austria, Belgium, Canada, Channel Islands, Denmark, Finland, France, Germany, Gibraltar, Great Britain, Greece, Isle of Man, Italy, Liechtenstein, Luxembourg, Malta, Monaco, The Netherlands, New Zealand, Northern Ireland, Norway, Portugal, Republic of Ireland, San Marino, Spain, Sweden, Switzerland, United States of America.

What about tax?

The tax position of the payments and the proceeds of the cover will depend on the nature of the business (e.g sole proprietor, partnership or company) and the purpose of effecting the cover (e.g partner/shareholder protection assurance, cover for a business loan or key person protection for your business). Your Financial Adviser will be able to provide you with advice.

Tax rules and rates can change and are subject to individual circumstances. The information shown here is based on our interpretation of current HM Revenue & Customs practice.

Life or Earlier Critical Illness Cover

What is Life or Earlier Critical Illness Cover?

Life or Earlier Critical Illness Cover is Critical Illness Cover with Life Cover included.

It pays out a lump sum if during the length of cover a person covered:

- dies;
- is diagnosed with a specified critical illness;
- undergoes a specified surgical procedure; or
- is diagnosed as suffering from a terminal illness, which is expected to cause death within 12 months of diagnosis and before the cover is due to end.

The lump sum is payable only once – either on death or diagnosis of a critical illness or terminal illness. The cover will then end. This applies whether the cover is set up as single or joint.

The complete list of conditions we cover is set out on page 9. 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 your Cover details. These typically use medical terms to describe the illnesses but in some cases the cover may be limited.

If the cover is written in trust, the benefits will be paid out according to how the trust has been set up. For more details on writing this cover in trust, please see your Financial Adviser.

Please ensure you read in full the Critical Illness Cover section that appears on pages 9 through to 12 for full details about this cover.

What will stop the covers from paying out?

The exclusions that are detailed in the 'What will stop the covers from paying out?' section on page 12 apply to critical illness claims.

There are no general exclusions if the person(s) covered die.

In the case of a terminal illness claim, the definition of terminal illness must be met.

Any specific exclusions will be detailed in your Acceptance letter. They also appear in your Cover schedule in the section 'When we will not pay a claim' which is sent to you once your AXA Protection Account has started.

If you do not provide full and true answers to the best of your knowledge on your application form, or when you claim, we may not pay your claim.

Are there any additional covers available that cost extra?

Yes. You can take out **Total and Permanent Disability Cover** and **Payment Protection Cover** alongside Life or Earlier Critical Illness Cover. Please see page 11 of the Critical Illness Cover section.

These covers are provided at an additional cost which is reflected in your Quotation if they have been selected.

Life Cover

Critical Illness Cover

Life or Earlier Critical Illness Cover

Executive Income Protection Cover

Payment Protection Cover

Further Information

Executive Income Protection Cover

What is Executive Income Protection Cover?

Executive Income Protection Cover is designed to provide a **regular monthly benefit** to support a covered employee who is unable to work continuously for longer than the deferred period you select due to an illness or injury during the length of cover and suffers a loss of earnings. We refer to your illness or injury as 'incapacity' and we measure this according to the definition of incapacity which applies to the occupation of the person(s) covered, shown on your Cover schedule. The benefit will begin once the deferred period has expired and will continue to be paid for as long as the claim is valid.

Cover will be provided until the end of the cover period, no matter how many claims are made.

Each Executive Income Protection Cover can only cover one person.

How much Executive Income Protection Cover should be selected?

Cover should be based on the level of earnings of the person covered before they became unable to work. The monthly benefit is paid to you, the employer, without deduction of tax. If the full benefit you receive is used to finance the employee's salary then you will incur no tax liability, but the salary paid to the employee is taxed through PAYE. Your Financial Adviser will be able to provide you with advice.

It is important that you do not buy too much cover. If a claim is made we may not pay the full amount. The maximum that we will pay each month will be 75% of the person covered's earnings per month, up to a maximum of £11,000 a month.

From the maximum amount we will deduct the following:

- any income, payment or waived premium from any other insurance policy which pays out while they are unable to work;
- any pension income not being received before the onset of incapacity;

- any ongoing income from an employer/ business; or
- any eligible single person's State Incapacity Benefit.

We won't reduce the claim by any investment income received by the person(s) covered.

It is also possible to cover your obligations as an employer for pension contributions and National Insurance Contributions for up to £2,500 a month in respect of the employee covered.

If the covered person(s) earnings fall, they may not receive the full amount of the cover shown on the Cover schedule, and we will not refund any payments made.

Full details of these limits are set out in your Cover details.

How long will the cover last?

The person covered must be aged between 18 and 59 when the cover starts and the cover will end no later than their 65th birthday. The minimum length of cover is 5 years. Cover may run for an exact number of years or to a specified age provided that the length of cover does not exceed the maximum age.

How are earnings defined?

For employed people this will be:

- the person covered's pre-tax earnings for PAYE assessment purposes, as shown on HM Revenue & Customs form P60; and
- any benefits in kind, as shown on HM Revenue & Customs form P11D that the person(s) covered would lose in the event of incapacity.

What is the deferred period?

You choose what we call a deferred period. This is simply the time you must wait from when the person covered first becomes unable to work until benefits start under your cover.

If you need to claim again for the same cause within 6 months of the person(s) covered returning to work then the deferred period won't apply subject to terms and conditions.

The options available are:

- 4 weeks
- 8 weeks
- 13 weeks
- 26 weeks
- 52 weeks
- 104 weeks

The longer the deferred period you choose, the less you need to pay.

Certain occupations may be prevented from choosing the shorter periods shown above.

You should continue to pay your payments until we accept the claim.

It is possible to change the deferred period once your cover has started, subject to the terms and conditions in force at the time of the change. If you want to reduce the deferred period we will need to collect new underwriting information.

What types of cover are available?

You can choose level or increasing cover.

Where **level cover** is selected, the amount of cover will stay the same throughout the length of cover. Your payments will stay the same except if you change the cover or payments are reviewable and have changed following a review. Please see page 16 for further information about reviewable payments.

Where **increasing cover** is selected, the amount of cover will increase on each anniversary of the start date of your AXA Protection Account, in line with the change in the Retail Prices Index (RPI) subject to a maximum of 10% in any year. Your payments will increase at 1.4 times the rate of increase in cover, e.g if RPI increases by 2.5%, your payments will increase by 3.5%.

We will write to you in advance to let you know your new level of cover and the new amount you will need to pay.

You can ask us to freeze the level of cover and payment at an AXA Protection Account anniversary so that it stops increasing. If you choose to do this, the value of the amount paid may be lower due to inflation. If you subsequently decide to add back these regular increases, we will need to collect new underwriting information.

Are there any additional covers provided?

Yes. The following covers are automatically included in your AXA Protection Account at no extra cost to you when you take out Executive Income Protection Cover.

What is the cover called?	Briefly, what is the benefit?
Rehabilitation Cover	A regular monthly income if you return to your occupation immediately after making a valid executive income protection claim and your earnings are reduced as a direct result of your ongoing incapacity. Rehabilitation Cover is subject to a maximum of 12 monthly payments.
Proportionate Cover	A regular monthly income if you have to change your occupation immediately after making a valid executive income protection claim and find that your earnings are reduced as a direct result of your ongoing incapacity.

Full details about these covers, including maximum payment periods and cover levels can be found in your Cover details which will be sent to you once your AXA Protection Account has started.

- Life Cover
- Critical Illness Cover
- Life or Earlier Critical Illness Cover
- Executive Income Protection Cover
- Payment Protection Cover
- Further Information

Can the payments change?

This will depend on the type of payment basis you choose. Your payments can be either guaranteed or reviewable.

<p>Guaranteed</p>	<p>If payments are guaranteed, they will not change during the length of your cover, unless you make any changes or select increasing cover.</p>
<p>Reviewable</p>	<p>If payments are reviewable, they may change during the length of your cover even if you make no changes or do not select increasing cover. Please see the next section 'How do reviewable payments work?' for more details.</p>

How do reviewable payments work?

If you choose reviewable payments, so that we can offer you a payment which is more affordable when your cover starts, we will calculate it on the basis of assumptions which cover the whole length of your cover but which we will review after 5 years and then every year.

At a review, your payments may increase or reduce. The payments after the review could then be higher than guaranteed payments would have been. If your payment changes at a review then we guarantee it will then not change for a further 5 years.

- The assumptions we will review are the future number and timing of claims and the cost of reinsurance.
- We will increase or reduce your payment if our view of these assumptions at the time of the review differs from the view we took of them at the outset (in the case of a first review) or at the last review.
- If the payment indicated by the review is within 10% of the existing payment then the existing payment will not change. There is no

limit to the amount by which your payment might increase or reduce, but any increase or reduction will be fair and reasonable.

- We will tell you before we change your payment. If your payments need to increase, you can tell us to keep your payments the same and reduce the amount of your cover instead.
- You will find full details of payment reviews in the 'Payment basis – reviewable' section of your Cover details. You can ask us for a copy of this at any time.
- If you are in any doubt about guaranteed and reviewable payment or which may be suitable for you, please speak to your Financial Adviser.

Risk – Reviewable payment basis

If the predicted cost of providing benefits is higher than expected, you'll either need to increase your payments to keep your chosen cover level going throughout the cover term, or reduce your cover and keep your payments the same.

If the predicted cost of providing benefits is lower than expected, your cover will stay the same but your payments will go down.

How long will the benefit be paid for?

The claim will be paid monthly in arrears until the first of the following happens:

- the person covered no longer meets the definition of incapacity;
- the cover ends;
- the person covered becomes resident outside any of the permitted countries shown below for a period longer than 12 months;
- the person covered no longer suffers loss of income;
- the person covered retires; or
- the person covered dies.

The permitted countries are: Andorra, Australia, Austria, Belgium, Canada, Channel Islands, Denmark, Finland, France, Germany, Gibraltar, Great Britain, Greece, Isle of Man, Italy, Liechtenstein, Luxembourg, Malta, Monaco, The Netherlands, New Zealand, Northern Ireland,

Norway, Portugal, Republic of Ireland, San Marino, Spain, Sweden, Switzerland, United States of America.

If you cease to trade while any claim under Executive Income Protection Cover is in progress, the amount payable will subsequently be paid to the person covered. The amount payable will be adjusted, and any payments being made for National Insurance Contributions and pension contributions will end. Full details are set out in your Cover details.

What will stop the Executive Income Protection Cover from paying out?

We will not pay a claim if it is a cause directly or indirectly by any of the following:

- the incapacity was caused by unreasonable failure to follow medical advice;
- the incapacity was caused by any excluded cause shown on your Cover schedule;
- the incapacity was caused by alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner;
- the incapacity was caused by intentional self-inflicted injury;
- the conditions giving rise to the claim are a result of the normal pregnancy of the person covered, except where the person covered is experiencing pregnancy complications;
- medical or other evidence required by us is incomplete or inaccurate;
- the claim was caused directly or indirectly through infection by any Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or related complex unless covered under our definition (see our Critical Illness Guide for the HIV definition); or
- you have been resident outside of any of the permitted countries for longer than 12 months. The permitted countries are shown on page 16.
- If you do not provide full and true answers to the best of your knowledge when you make your claim, we may not pay your claim.

Are there any other covers added to my AXA Protection Account?

When you take out Executive Income Protection Cover, Payment Protection Cover will automatically be included in your AXA Protection Account.

Payment Protection Cover will make payments on your behalf if the person covered is unable to work due to illness or injury. Please see the Payment Protection Cover section on page 19 for more details.

Risks

The cover may be less than you need if you do not review it regularly with your Financial Adviser to keep it in line with earnings. On the other hand if cover is too high compared with income, we'll have to reduce the income benefit we can pay (please see page 14 where we set out all the reductions which will apply to the income benefit). We won't give you back any of the payments you've made if this happens. Any benefit we pay may affect a claim made by a person covered for any income protection cover already held by them.

A claim may end if the person covered moves outside the UK.

The present tax-free treatment of the benefit may change. Any benefit we pay may affect the person covered's claim to some means-tested State benefits. It won't affect the person covered's right to State incapacity benefit. State benefit rules may change.

When do I need to tell AXA about a claim?

You or the person covered need to contact us from when they first become unable to work:

- within **two** weeks if the deferred period you select is 4 weeks
- within **four** weeks if the deferred period you select is 8 weeks
- within **eight** weeks for any other deferred period selected.

Life Cover

Critical Illness Cover

Life or Earlier Critical Illness Cover

Executive Income Protection Cover

Payment Protection Cover

Further Information

If we are not told about a claim within these time periods, we may:

- refuse to pay your claim; or
- extend the deferred period by the duration of the delay.

What about tax?

If the full benefit you receive is used to finance the employee's salary then you will incur no tax liability, but the salary paid to the employee is taxed through PAYE.

Tax rules and rates can change and are subject to individual circumstances. The information shown here is based on our interpretation of current HM Revenue & Customs practice.

Payment Protection Cover

What is Payment Protection Cover?

Payment Protection Cover can be added to your AXA Protection Account and means that if the person(s) covered are unable to work due to illness or injury we will pay your payments for you.

If there is a valid claim under Payment Protection Cover, it will ensure that **all** of the payments in respect of the covers in your AXA Protection Account are paid for you during the period of the claim. It will also cover the Account Fee.

Payment Protection Cover is automatically included in your AXA Protection Account if Executive Income Protection Cover is selected.

It will also automatically apply to all of the covers in the same AXA Protection Account. If you don't want Payment Protection Cover on these other covers, you will need to take out two AXA Protection Accounts.

How flexible is it?

The cover will be sufficient to pay all of your payments whether those premiums are reviewable or guaranteed, level or increasing, during the period of illness or injury of the person(s) covered.

What is the deferred period?

You choose the length of the deferred period. This is simply the time you must wait during the period of illness or injury of the person(s) covered until you can claim under your Payment Protection Cover.

The options available are:

- 4 weeks
- 8 weeks
- 13 weeks
- 26 weeks
- 52 weeks
- 104 weeks

If you have Executive Income Protection Cover in your AXA Protection Account, the deferred period will automatically match the shortest deferred period that applies to that cover.

The cover will pay out when the person(s) covered meet our definition of incapacity and your selected deferred period has elapsed.

You should continue to pay your payments until we accept the claim.

How long will my claim be paid?

Your payments will be covered until one of the following occurs to the person(s) covered:

- their incapacity ends;
- their 70th birthday;
- they become resident outside any of the permitted countries shown below for a period longer than 12 months; or
- they die.

The permitted countries are: Andorra, Australia, Austria, Belgium, Canada, Channel Islands, Denmark, Finland, France, Germany, Gibraltar, Great Britain, Greece, Isle of Man, Italy, Liechtenstein, Luxembourg, Malta, Monaco, The Netherlands, New Zealand, Northern Ireland, Norway, Portugal, Republic of Ireland, San Marino, Spain, Sweden, Switzerland, United States of America.

You must restart the payments to us when the claim ends so that the cover is maintained.

Life Cover

Critical Illness Cover

Life or Earlier Critical Illness Cover

Executive Income Protection Cover

Payment Protection Cover

Further Information

What will stop the Payment Protection Cover from paying out?

We will not meet your payments if:

- incapacity was caused by unreasonable failure to follow medical advice;
- incapacity was caused by an excluded cause shown on your Cover schedule;
- incapacity was caused by alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner;
- incapacity was caused by intentional self-inflicted injury;
- the conditions giving rise to the claim are a result of the normal pregnancy of the person covered, except where the person covered is experiencing pregnancy complications;
- medical or other evidence required by us is incomplete or inaccurate;
- the claim was caused directly or indirectly through infection by any Human Immunodeficiency Virus (HIV), Acquired Immune Deficiency Syndrome (AIDS) or related complex unless covered under our definition (see our Critical Illness Guide for the HIV definition); or
- the person(s) covered has been resident outside of any of the permitted countries for longer than 12 months. The permitted countries are shown on the previous page.

If you do not provide full and true answers to the best of your knowledge on your application form, or when you claim, we may not pay your claim.

How much does it cost?

The cost of Payment Protection Cover is calculated as a proportion of the relevant payments, including the Account Fee. Please refer to your Quotation for more information.

When do I need to tell AXA about a claim?

You or the person covered need to contact us from when the person covered first becomes unable to work:

- within **two** weeks if the deferred period you select is 4 weeks;
- within **four** weeks if the deferred period you select is 8 weeks;
- within **eight** weeks for any other deferred period selected.

If you do not tell us about a claim within these time periods, we may:

- refuse your claim; or
- extend the deferred period by the duration of the delay.

What about tax?

Payment Protection Cover means that we will pay your payment for you if the person covered becomes unable to work due to illness or injury.

There is no actual benefit paid so the cover is not subject to tax.

Tax rules and rates can change and are subject to individual circumstances. The information shown here is based on our interpretation of current HM Revenue & Customs practice.

Further Information

How to contact us

Your Financial Adviser will normally be your first point of contact. If you have any questions, you can phone us, send a fax, or write to us.

Call us on **0845 300 0479** at the following times:

Monday to Friday between 8am and 6pm
As part of our commitment to quality service, telephone calls may be recorded.

Fax us on: **0117 989 1810**

Write to us at:

**AXA Protection Account,
AXA Sun Life plc
PO Box 1810
Bristol
BS99 5SN
United Kingdom**

To add new types of cover or to change your cover levels, please speak to your Financial Adviser or write to us at the above address.

Making a claim

To make a claim, please write to our AXA Protection Account Claims Department at:

**AXA Protection Account,
AXA Sun Life plc
PO Box 1810
Bristol
BS99 5SN
United Kingdom**

or phone us on: **0845 300 3460**

Complaints

If you are not satisfied with any aspect of your AXA Protection Account, then please write to our Customer Relations Manager at the above address. Some small business customers may be entitled to complain to the Financial Ombudsman Service if they are dissatisfied with our response. The Financial Ombudsman Service will be able to advise you whether you are eligible to use this service.

The contact details for the Financial Ombudsman Service are as follows:

**Financial Ombudsman Service,
South Quay Plaza
183 Marsh Wall
London
E14 9SR
United Kingdom**

Phone: **0845 080 1800**

E-mail:

complaint.info@financial-ombudsman.org.uk

Website:

www.financial-ombudsman.org.uk

Making a complaint will not affect your legal rights.

Life Cover

Critical Illness Cover

Life or Earlier
Critical Illness Cover

Executive Income
Protection Cover

Payment
Protection Cover

Further Information

Terms and conditions

This document sets out the main points about the AXA Protection Account. It does not include all the definitions, exclusions, terms and conditions (which are detailed in your policy document). If you would like a copy, please ask your Financial Adviser or contact us direct on 0845 300 0479.

We have the right to change some of the terms and conditions. We will write and explain what has changed if this affects any of your covers.

This leaflet complies with the Association of British Insurers (ABI) statements of best practice for Critical Illness Cover and Income Protection Cover. The 'ABI Guide to Critical Illness Cover' gives general information about critical illness cover. If you would like a copy, please write to:

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

ABI Phone Number: **020 7600 3333**

ABI Website: **www.abi.org.uk**

Law

The AXA Protection Account, cover and any related documents will be governed by the law of England and Wales unless you and we have agreed otherwise. It is also agreed that any issue will only be settled in the courts of England and Wales. Your policy and any subsequent correspondence will be supplied in English.

Compensation

If you are a small business customer the Financial Services Compensation Scheme (FSCS) covers your plan. It will cover you if AXA Sun Life plc becomes insolvent and is unable to meet its obligations under the covers shown in this document. You'll normally be covered for at least 90% of the value of your cover(s).

You can get further information from the Financial Services Authority or from the Financial Services Compensation Scheme.

**Financial Services Compensation Scheme
7th Floor Lloyds Chambers
Portsocken Street
London E1 8BN
United Kingdom**

Phone: **020 7892 7300**

Website: **www.fscs.org.uk**



AXA, PO Box 1810, Bristol BS99 5SN. Telephone: 0117 989 9000.

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As part of our commitment to quality service, telephone calls may be recorded.

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Be Life Confident