

This leaflet sets out the main points about our Homebuyer Protection Plan. Your personal illustration shows what the plan may cost. Please read both carefully and keep them with your plan documents if you go ahead.

Its aims

- To pay a cash sum equal to the outstanding amount of your mortgage if you die or are diagnosed with a terminal illness during the plan term.
- To pay the cash sum earlier if you are diagnosed with a critical illness that meets our policy definition and you've chosen to include this benefit.
- If we pay the cash sum, the plan will end.

Your commitment

- To answer all questions truthfully, accurately and completely to the best of your knowledge when applying for your plan and when making a claim.
- To check information in any confirmation schedule we send you is true, accurate and complete. If it isn't, you must tell us in writing straightaway as this may affect the terms of your cover. We will only issue a confirmation schedule to you if your adviser completes your application electronically.
- To tell us if there is a change to your health, family history, occupation, occupational duties, working or travelling abroad, country of residence, or you take part in any hazardous pastime. Your commitment to tell us continues until the date the cover you're applying for starts. If you don't, we may not pay a claim.
- To make monthly or yearly payments throughout the plan term.
- If you include critical illness and disability benefit and opt for reviewable payments, you may need to increase your payments in the future to ensure the plan covers your outstanding mortgage throughout the plan term.

- To tell us:
 - within one month of disablement for a permanent and total disability claim or a waiver claim
 - within three months of diagnosis for a terminal illness claim or a critical illness and disability claim.
- To allow us access to your medical reports to consider a claim.

Risk factors

- If you stop your payments the plan will stop and you'll get nothing back.
- The plan will never have a cash-in value.
- We may not pay a claim in some cases. *Please see 'What will stop the plan paying out?' on page 3.*
- If you include critical illness and disability benefit and opt for reviewable payments, we guarantee your payment amounts for the first five years only. After this we'll review your payments every year. If the predicted cost of providing benefits is higher than expected, you'll need to increase your payments to ensure the plan still covers your outstanding mortgage. If you don't increase your payments, we'll reduce the cover straight away and the plan will no longer cover your outstanding mortgage in full. If the predicted cost of providing benefits is lower than expected, your cover will stay the same but your payments will go down.

When predicting the cost of providing benefits, we'll consider various issues. For example, we'll consider past and predicted future claims experience across the life assurance industry as well as developments in medical treatments and diagnostic techniques.



- Inflation will reduce the spending power of any money you get back in the future.

Questions and answers

What is the Friends Provident Homebuyer Protection Plan?

- It's a plan that pays a cash sum if you die or are diagnosed with a terminal illness during the plan term. If we pay the cash sum, the plan will end.
- The cash sum reduces over the plan term, normally in line with the outstanding amount of your mortgage.
- The plan term can be any number of years from 10 up to 40 years, as long as you're aged under 60 at the start and under 85 at the end. However, if you include critical illness and disability benefit and opt for reviewable payments, the plan term must be 35 years or less and you must be aged under 70 at the end. If you include critical illness and disability and opt for guaranteed payments the plan term must be 25 years or less and you must be under 65 at the end. The plan term should match the remaining term of your mortgage.
- You can set the plan up on your own life or on another person's life.
- You can set it up on two lives so we pay the cash sum if one of you dies or is diagnosed with a terminal illness during the plan term. The plan will then end.
- The person setting up the plan must be aged 18 or over. If you set it up on someone else's life, they too must be aged 18 or over.
- If you write the plan in trust, we'll pay the cash sum to the trustees.

How flexible is it?

- If you're aged under 50 and in good health when your plan starts, you can, subject to certain limits, increase your cover or extend the plan term before age 55 if you increase or extend your mortgage. You can do this without further evidence of your health, occupation or pastimes.

- If you repay your mortgage early, this plan can continue. Then if you die during the plan term or are diagnosed with a terminal illness at least 18 months before the end of the plan term, we'll work out the cash sum payable using a table we show in your plan conditions booklet. *Please see section 3 of the plan conditions for more details.*

When does the plan pay out?

- If you die during the plan term, we'll pay the cash sum. The plan will then end.
- We'll pay the cash sum earlier if you're diagnosed as having a terminal illness expected to cause death within 12 months and the diagnosis occurs at least 18 months before the end of the plan term.

What other benefits can I choose?

- If you're aged under 55, in good health and not in a higher-risk occupation, you can include one or both of the benefits below from the start for an extra charge.

Waiver benefit

- If you include this benefit, we'll keep your payments going for you if future illness or accidental injury stops you from working for more than six months. If you're not in full-time employment, we'll look at your ability to do certain basic tasks instead. We'll carry on your payments for you until you recover, if necessary to the end of the plan term. For plan terms beyond age 65, we'll only keep payments going beyond this age if you can't do certain very basic tasks.
- For plans set up on two lives you can choose to include this benefit on either life or on both lives.

Critical illness and disability benefit

- If you include this benefit and are diagnosed with a critical illness that meets our policy definition, we'll pay out the cash sum early and the plan will end.
- For plans set up on two lives, if one of you is diagnosed with a critical illness that meets our policy definition, we'll pay out and the plan will end.
- The maximum critical illness cover for any one life is £1,000,000.

Which critical illnesses are covered?

- We only cover the critical illnesses we describe below and no others. The critical illness descriptions are only a guide to what is covered and the full definitions of the illnesses covered and the circumstances in which you can claim are given in the policy. These typically use medical terms to describe the illness and in some cases the cover may be limited. For example:

- we do not cover some types of cancer
- for some illnesses, you need to have permanent symptoms.

- We strongly recommend that you see our Critical Illness and Disability Benefit Simplified Guide to help you understand the extent of cover provided.

- The critical illnesses we cover are:

- Alzheimer's disease or dementia* - *resulting in permanent symptoms*
- Aorta graft surgery - *for disease or traumatic injury*
- Bacterial meningitis - *resulting in permanent symptoms*
- Benign brain tumour - *resulting in permanent symptoms*
- Blindness - *permanent and irreversible*
- Cancer - *excluding less advanced cases*
- Coma - *resulting in permanent symptoms*
- Coronary artery by-pass grafts - *with surgery to divide the breastbone*
- Creutzfeldt-Jacob disease - *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*
- 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*
- Open heart surgery - *with surgery to divide the breastbone*
- Paralysis of limbs - *total and irreversible*
- Parkinson's disease* - *resulting in permanent symptoms*
- Permanent and total disability before age 60* - *permanent and irreversible*
- Progressive supra nuclear palsy* - *resulting in permanent symptoms*
- Stroke - *resulting in permanent symptoms*

- Third degree burns - *covering 20% of the body's surface area*
- Traumatic head injury - *resulting in permanent symptoms*

Please see section 5 of the plan conditions for more details.

- ♦ The eligible occupations for HIV caught at work are:

- member of the emergency services, medical or dental professions
- laboratory assistant, or employee, in a medical facility
- pharmacist or prison officer.

** We don't cover these critical illnesses and disabilities for the children's critical illness and disability benefit described below.*

Children's critical illness and disability benefit

- If you choose critical illness and disability benefit, we automatically include this benefit, at no cost to you. It covers your natural or legally adopted children aged over 30 days. If they are diagnosed with a critical illness that meets our policy definition, other than one marked with a '*', before age 18 and during the term of your own cover, we'll pay a cash sum equal to half of your cover. A maximum payment of £20,000 applies.
- This benefit will not be payable for HIV infection caught at work in one of the eligible occupations described above.
- This benefit is payable only once for any child and is payable for a maximum of three children. The child must survive for at least 14 days from the date of diagnosis.
- This benefit will not be payable for pre-existing conditions. This means a condition, illness, disease or related condition whether diagnosed or not, and whether there are any symptoms or not, which is already present:
 - when you start your plan, or
 - before the child is 30 days old, or
 - before the child is legally adopted.

What will stop the plan paying out?

- We may not pay a claim if you do not answer all questions truthfully, accurately and completely to the best of your knowledge when applying for your plan and when making a claim.

- We may also not pay a claim if you do not tell us in writing straightaway if information in any confirmation schedule we may send you is not true, accurate and complete.

- We may not pay a claim if you do not tell us of a change to your:

- health or family history
- occupation, occupational duties or working abroad
- travelling abroad or country of residence, or
- taking part in any hazardous pastime

before the date on which the cover you are applying for starts.

- We won't pay a claim unless you tell us:
 - within one month of disablement for a permanent and total disability claim or waiver claim
 - within three months of diagnosis for a critical illness claim or terminal illness claim.
- We won't pay a critical illness claim if the critical illness or disability isn't one we cover. *Please see sections 5 and 6 of the plan conditions for more details.*
- We won't pay a critical illness claim if it is due in any way to:
 - alcohol abuse (applies to coma and permanent and total disability claims only)
 - drug abuse (applies to coma, Parkinson's disease and permanent and total disability claims only)
 - HIV/AIDS (applies to permanent and total disability claims only)
 - self-inflicted injury
 - war.

Please see section 9 of the plan conditions for more details.

- We won't pay a children's critical illness claim if it is due in any way to:
 - a pre-existing condition or if death occurs within 14 days of diagnosis of a critical illness
 - alcohol or drug abuse (applies to coma only)
 - self-inflicted injury
 - war.

Please see the 'Benefit Conditions: Children's Critical Illness and Disability Benefit' and 'Benefit Conditions: Exclusions' sections of the plans conditions for more details.

- We won't pay a waiver claim if it is due in any way to HIV/AIDS or war. *Please see section 9(c) of the plan conditions for more details.*

- We won't pay out if the cause of a claim is one we exclude by applying special terms to your plan when we accept your application. We will show any special terms in the schedule we issue with your plan documents.

'HIV' is the common abbreviation for 'Human Immunodeficiency Virus' and 'AIDS' is the common abbreviation for 'Acquired Immune Deficiency Syndrome'.

What will my payments be?

- Your illustration will show the payments you need to make for your chosen amount of cover.
- Your payments will depend on:
 - how much cover you need
 - how long you want it to last
 - your age, sex and whether you smoke or not
 - extra benefits you choose.
- You can pay monthly by direct debit (minimum £7.50) or yearly by direct debit or cheque (minimum £75).

Can my payments change in the future?

- If you include critical illness and disability benefit and opt for reviewable payments, we guarantee your payment amounts for the first five years only. After this we'll review your payments every year.
- If the predicted cost of providing benefits is higher than expected, you'll need to increase your payments to ensure the plan still covers your outstanding mortgage. If you don't increase your payments, we'll reduce the cover straight away and the plan will no longer cover your outstanding mortgage in full. Please note there is no upper limit on what your payments may need to increase to.
- If the predicted cost of providing benefits is lower than expected, your cover level will stay the same but your payments will go down.
- We'll give you 30 days notice before making any changes. *Please see section 1(b) of the plan conditions for more details.*
- If you include waiver benefit and we pay a waiver benefit claim, it will cover any increases in payment following a review.

What are the charges?

- We allow for all charges, including the cost of providing the cover, and all expenses, such as commission, within the payments you make.

What if I stop paying?

- If you miss a payment we'll stop the plan straightaway.
- You won't get back any money and you may need to arrange some other cover for your mortgage.

What about tax?


- Under current tax rules you're not liable to income tax or capital gains tax on your plan unless you sell it.
- If you die, the amount we pay out will form part of your estate for inheritance tax purposes. You can set up your plan in trust to help in inheritance tax planning.
- Tax rules may change.

Can I change my mind?

- You have a right to change your mind. We'll remind you of this right by post when we set up your plan. You can cancel your plan up to 30 days after you get our reminder.
- If you decide you don't want the plan, let us know in writing within the 30 days and we'll give you your money back.
- The easiest way to cancel is to complete the 'Cancellation Form' we send you with the reminder and return it to us. Or you can write to us at Friends Provident, PO Box 1550, Salisbury SP1 2TW but please remember to include your full name and address and state that you wish to cancel your Homebuyer Protection Plan.
- If you don't cancel within the 30 days, your plan will continue as set out in these key facts and the terms and conditions.

How to contact us

- Remember your financial adviser will normally be your first point of contact.
- If you have any questions, you can phone us, send a fax or e-mail, or write to us.

 Call us on **0870 607 1352** at the following times:
Monday to Friday between 8am and 8pm
Saturday between 9am and 1pm.

We may record calls to improve our service.

 Fax us on **0870 531 4151**

 e-mail us at
customer.services@friendsprovident.co.uk

 Write to us at **Friends Provident, PO Box 1550, Salisbury SP1 2TW**

- To make a claim, please call **0870 607 1352** and ask to speak to our Claims Department. Or write to: **The Claims Department, Friends Provident, PO Box 1550, Salisbury SP1 2TW**. We'll send a claim form for completion and return. This will detail our requirements. For a life cover claim we'll always need the death certificate.

Other information

How to complain

- Please write to our Customer Relations Manager at Friends Provident, PO Box 1550, Salisbury SP1 2TW.
- If you're not satisfied with our response you can contact:

Financial Ombudsman Service (FOS)

South Quay Plaza

183 Marsh Wall

London

E14 9SR

Telephone 0845 080 1800

Website: www.financial-ombudsman.org.uk

- Making a complaint won't affect your legal rights.

Terms and conditions

- This leaflet sets out the main points about our Homebuyer Protection Plan. It doesn't include all the definitions, exclusions, terms and conditions.
- If you would like a copy of the full terms and conditions, please ask your financial adviser or contact us direct.
- We have the right to change some of the terms and conditions. We'll write and explain if this happens.
- This leaflet complies with the ABI (Association of British Insurers) statement of best practice for critical illness cover. The ABI Guide to Critical Illness gives general information about critical illness cover. If you would like a copy, please let us know or write to:

ABI, 51 Gresham Street, London EC2V 7HQ

Law

- The law of England and Wales will apply unless your plan documents show otherwise.

Language

- Our plan documents and terms and conditions are in English and all our other communications with you will be in English.

Compensation

- If a financial adviser recommends this plan, you have a legal right to compensation if the Financial Ombudsman Service decides it wasn't suitable for your needs at the time.
- You may qualify for compensation from the Financial Services Compensation Scheme if we become unable to pay claims against us because of financial difficulties. It'll depend on the nature of the business and the circumstances of the claim. The scheme covers most insurance contracts for 100% of the first £2,000 and 90% of the rest of the claim. You can get further information from the Financial Services Authority or from the Financial Services Compensation Scheme.

About Friends Provident

- Friends Provident Life Assurance Limited's main business is providing life assurance and protection products. It's entered on the FSA Register, number 110413.

Friends Provident Life Assurance Limited

Registered and Head Office: Pixham End, Dorking, Surrey RH4 1QA
Incorporated company limited by shares and registered in England number 782698
Authorised and regulated by the Financial Services Authority

www.friendsprovident.com Telephone 0870 608 3678

FRIENDS® and 'the power of FRIENDS®' are registered trade marks of Friends Provident in the UK and other countries



FRIENDS PROVIDENT