

IMPORTANT INFORMATION

This information may be downloaded to your PC in whole or in part provided that any reproduction or copy, or any derivative, is true to the original, and it is EITHER used for personal use OR in support of an Agreement with Legal & General. Professional advisers who are properly authorised may use it in the process of giving financial advice relating to Legal & General products.

Copies or derivatives of the document may not be sold, marketed, or used for commercial gain.

Notwithstanding the above, Legal & General Assurance Society Limited retains ownership of copyright in all such reproductions, copies or derivatives.

Copyright © Legal & General Assurance Society Limited, 2008.  
All rights reserved.

# Family and Personal Income Plan

## Key Features

This is an important document, which you should retain

# About Legal & General

The Legal & General Group, established in 1836, is one of the UK's leading financial services companies. We are one of the UK's top 50 companies in the FTSE 100 Index. Over 5.75 million people rely on us for life assurance, pensions, investments and general insurance plans. The Legal & General Group is responsible for investing over £257 billion worldwide (as at 30 June 2007) on behalf of investors, policyholders and institutions.

## Contents

	<b>Page</b>
1. Introduction	3
2. Its aims	3
3. Your commitment	3
4. Risk factors	4
5. What is Legal & General's Family and Personal Income Plan?	4
6. How much does the plan cost?	5
7. How much does the plan pay out?	5
8. Who can the plan cover?	5
9. Can children have critical illness cover?	6
10. What conditions are covered by critical illness cover?	6
11. When will the plan not pay out?	8
12. What other options are available?	9
13. After the plan starts, is there anything I need to do?	11
14. When will my cover start?	11
15. Will my payments ever go up?	11
16. What happens if I move abroad?	12
17. What are the charges?	12
18. What if I am not sure if this product is suitable for me?	12
19. Making a claim	12
20. Further information	13

The Financial Services Authority is the independent financial services regulator. It requires us, Legal & General, to give you this important information to help you to decide whether our Family and Personal Income Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

## Introduction

Legal & General's Family and Personal Income Plan is designed to help protect you and your dependants financially if you die or are diagnosed as being eligible for a terminal illness benefit or with a critical illness that meets our policy definition (if this option is selected).

## Its aims

The plan aims to do the following:

- To provide the amount of cover you choose
- To provide cover for the period you choose
- To provide the type of cover you choose.

Your plan can include one or more of the following:

**Life cover** – pays out a monthly benefit if you die or are diagnosed with a terminal illness.

**Critical illness cover or life and critical illness cover** – pays out a monthly benefit if you die or are diagnosed with a terminal or critical illness that meets our policy definition and are eligible to claim. We only cover the critical illnesses we define in our policy and no others.

- The monthly benefit will be payable until the end of the plan and you pay no more premiums.
- The full list of critical illnesses we cover is shown on page 7. There are also some circumstances when the plan will not pay out. These are shown on page 8.

## Your commitment

You must do the following:

### For all types of cover

- Disclose all the relevant information we ask for when you take out your plan. If you do not do this, it could mean your plan will not pay out and your policy could be cancelled. You should not assume that we will write to your doctor – it is your responsibility to complete the application form accurately.
- At the time of a claim, the person or persons making the claim must truthfully provide all the information we ask for. If they do not do this, it could mean your plan will not pay out and your policy could be cancelled.
- Tell us about any of the following changes that happen between completing the application form and when your plan starts:
  - medical disclosures
  - family history
  - occupation
  - travel or residence (other than for holidays)
  - pastimes
  - alcohol consumption
  - start smoking
  - use of recreational drugs, for example, cocaine or heroin. (Note these examples are not intended to be a complete list.)

If you do not do this, it could mean your plan will not pay out and your policy could be cancelled.

- Pay the premium by Direct Debit every month or annually by Direct Debit or cheque during the period of cover.

## Risk factors

The plan carries the following risks:

### All types of cover

- If you stop paying your premiums your cover will end 30 days after the first missed premium.
- If you do not truthfully provide all the information we ask for on the application form or at the time of a claim, we will not pay out under the plan.
- We will not pay out in the circumstances described under “When will the plan not pay out?” on page 8.
- The plan has no cash in value at any time.
- The present tax treatment may change.

### For critical illness cover and life and critical illness cover

- If you have reviewable premiums, we will review your plan every five years. At review, we may need to increase your premium to maintain the initial level of cover. We will tell you if we are going to do this. See the “Will my payments ever go up?” section on page 11.
- The conditions or benefits covered by your policy may be subject to exclusions after we underwrite your application.
- We will not pay out a claim from an excluded cause.

## What is Legal & General’s Family and Personal Income Plan?

The Family and Personal Income Plan is a long term insurance policy which can be tailored to meet your needs by allowing you to choose:

- The type of cover you need – your plan can include one of the following:

**Life cover** – pays out a monthly benefit if you die.

**Terminal illness cover** – if you choose life cover, your plan will automatically include terminal illness cover. This means that if you are diagnosed as having less than 12 months to live during the term of the plan and are eligible to claim, we will start to pay the monthly benefit immediately, instead of upon your death. If you die whilst receiving benefit, the payments will continue until the end of the policy term. If you survive, we will still pay the monthly benefit until the end of the policy term. We will not ask for this money back. Full details and conditions are provided in your policy document. This cover does not apply during the last 18 months of the plan.

**Critical illness cover or life and critical illness cover** – pays out a monthly benefit if you die or are diagnosed with a terminal or critical illness that meets our policy definition and are eligible to claim. We only cover the critical illnesses we define in our policy and no others.

- The level of cover you need – this is the amount of monthly benefit we pay out after a valid claim.
- How long the cover lasts – the table on the following page provides details of the minimum and maximum term as well as maximum ages.

How long the cover lasts continued.

Family and Personal Income Plan Products	Minimum term	Maximum term	Maximum age (next birthday) the plan must end by
Life cover	5 years	40 years	70
Critical illness cover	5 years	40 years	65
Life and critical illness cover with guaranteed premiums	5 years	40 years	65
Life and critical illness cover with reviewable premiums	5 years	40 years	65

The full list of critical illnesses we cover is shown on page 7. There are also some circumstances when the plan will not pay out – these are shown on page 8.

### How much does the plan cost?

You pay a premium every month by Direct Debit or annually by Direct Debit or cheque to keep your cover in force. Your premium depends on the following:

- Your personal circumstances – for example, your age, health, sex, occupation and whether you smoke
- The amount and type of cover you choose
- How long you decide you want the cover to last

If you stop paying your premiums, your cover will end 30 days after the first missed premium. The plan has no cash in value at any time.

### How much does the plan pay out?

The plan pays out a monthly benefit. You decide how much you would like this to be when you take the plan out. At the time of a claim, you or the people making the claim can choose to receive the monthly benefit or choose to receive the benefit as a lump sum payment calculated by Legal & General at the time of the claim. The monthly benefit will be payable until the end of the plan.

The attached personal illustration shows the period of cover, the type and amount of cover you have chosen and your premium.

### Who can the plan cover?

You can apply for the plan to cover:

- You alone;
- You and another person; or
- One or two people not including you.

If the plan covers two people it will only pay out once if either an insured person dies or has a valid terminal or critical illness claim during the period of cover, whichever is first – depending on the cover you choose.

## **Can children have critical illness cover?**

If you choose critical illness cover, the children of each insured person also have critical illness cover, as long as the policy remains in force. The cover for each child starts when the child is 26 weeks old and ends on their eighteenth birthday. The benefit will only be paid out if the child survives for 28 days from diagnosis of one of the illnesses we define in our policy and no others.

The maximum amount we pay for a child meeting our definition of a critical illness is up to £15,000 or 60 times the chosen monthly benefit, whichever is the lowest. If you have children's critical illness cover under more than one policy, this is the maximum amount we will pay under all policies – not the maximum we will pay under each policy.

We will only pay one claim for each child. If we pay a claim for a child being diagnosed with a critical illness, cover for that child will end. However, cover will continue for the insured person and their other children (if any). Once two claims have been accepted, children's critical illness cover will end.

## **What conditions are covered by critical illness cover?**

The complete list of conditions we cover is set out overleaf. 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 our protection plans technical guide, Legal & General's guide to critical illness cover and the policy document. 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.

Please let us know if you would like to see a copy of the protection plans technical guide or Legal & General's guide to critical illness cover.

- Alzheimer's Disease – *resulting in permanent symptoms*
- Aorta Graft Surgery – *requiring surgical replacement*
- 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 By-Pass Grafts – *with surgery to divide the breastbone*
- Creutzfeldt-Jakob Disease (CJD) – *resulting in permanent symptoms*
- Deafness – *permanent and irreversible*
- Dementia – *resulting in permanent symptoms*
- Encephalitis – *resulting in permanent symptoms*
- Heart Attack – *of specified severity*
- Heart Valve Replacement or Repair – *with surgery to divide the breastbone*
- HIV infection – *caught from a blood transfusion, physical assault or accident at work*
- Kidney failure – *requiring dialysis*
- Liver failure – *of 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*
- Primary Pulmonary Hypertension – *of specified severity*
- Progressive Supranuclear Palsy – *resulting in permanent symptoms*
- Respiratory failure – *of advanced stage*
- Stroke – *resulting in permanent symptoms*
- Systemic Lupus Erythematosus – *with severe complications*
- Terminal Illness
- Third Degree Burns – *covering 20% of the body's surface area*
- Total and Permanent Disability
- Traumatic head injury – *resulting in permanent symptoms*

Children are also covered for the conditions listed except for Total and Permanent Disability, or any congenital, familial and pre-existing conditions.

### **Important information for those choosing critical illness cover**

Legal & General's critical illness cover plan is designed to address those critical illnesses which could have a severe impact on your lifestyle.

Ongoing medical and technological advances mean that traditional views of critical illness are changing. What may once have been classed as a critical illness may no longer meet today's definition of critical illness. For example, not all types of cancers are covered by this plan as some cancers no longer have a severe impact on lifestyle if detected early enough. However, all illnesses covered by this plan are consistent with the current view of critical illness held by the medical profession and the Association of British Insurer's list of critical illnesses.

You can check the full list of critical illnesses we cover in Legal & General's guide to critical illness cover, the protection plans technical guide and your policy document. Legal & General's guide to critical illness cover and the protection plans technical guide are available on request.

It is important that you choose the type of cover most suited to your personal circumstances. As well as critical illness cover, Legal & General may offer other types of cover which could be more appropriate for your individual needs. Ask your financial adviser for more details.

## When will the plan not pay out?

We will not pay a claim and all cover under the plan may be cancelled if:

### For all types of cover

- The policy has ceased due to non payment of premiums.
- You do not disclose all the relevant information that we ask for when you take out your plan. You should not assume that we will write to your doctor, it is your responsibility to complete the application form accurately.
- A claim is made and the person or persons making the claim do not truthfully provide all the information we ask for.
- The insured person commits suicide in the first year of the policy.
- You do not tell us about any of the following changes that happen between completing the application form and when your plan starts:
  - medical disclosures
  - family history
  - occupation
  - travel or residence (other than for holidays)
  - pastimes
  - alcohol consumption
  - start smoking
  - use of recreational drugs, for example, cocaine or heroin. (Note these examples are not intended to be a complete list.)

### For Life and critical illness cover and critical illness cover

- You have an illness that does not meet our definition of one of the critical illnesses we cover. For example, some types of cancer are not covered.
- The cause of your claim results from drug or alcohol abuse, self inflicted injury or war or civil commotion.
- The cause of the claim is specifically excluded by any terms we apply to your plan when we accept your application. (These will be shown in your policy document).
- The claim is from a cause that arose while you are living abroad for more than 12 months.

- The claim is for children's critical illness cover and:
  - The condition runs in the family or was present at birth; or
  - The symptoms first arose before the child was covered; or
  - The child dies within 28 days of the diagnosis of a critical illness that meets our policy definition.

Further details of what is covered, and any standard exclusions and restrictions to the cover are given in the Policy Conditions section of the Policy Document which is made up of the Policy Schedule and the OLA (Ordinary Life Assurance) wrap. We provide more information about cover and limits in Legal & General's guide to critical illness cover and the protection plans technical guide. You can ask us for a copy of either of these.

We may apply specific exclusions when we accept your policy, such as excluding certain critical illnesses, conditions and pre-existing medical conditions. If this is the case these will be shown in your policy schedule under Policy Condition 1.

## What other options are available?

Some of the following benefits are optional. If required, they must be chosen at the start of the plan and there may be an additional cost. Full details of any extra benefits will be shown in the policy document. Your personal illustration shows any options or benefits included in your plan and, if so, the cost. For full details ask your financial adviser or Legal & General.

### Waiver of payment benefit

This benefit pays your premiums if you are too ill to work for six months or more as a result of illness or injury. Although you will have to pay your premiums at first, after 26 weeks of incapacity we will waive your premiums. If you are not in gainful employment, you do not have to pay your premiums after 26 weeks, if you suffer an illness or accident which stops you performing three or more functional assessment tests.

We will continue to waive premiums until:

- You no longer qualify for waiver of payment benefit
- You reach the end of your policy
- Your 60th birthday
- You die

whichever occurs first.

**Full details can be found in the policy document.**

### Total and permanent disability definition under critical illness cover

If you have chosen Critical Illness Cover, your plan will pay if you are totally and permanently disabled.

### Own occupation definition

If, when you take out your plan, your occupation is class 1 or 2,\* you can choose to take the “own occupation” definition of total and permanent disability. This means that your plan will pay out if you are unable to follow your own occupation due to illness or an accident, and in Legal & General’s opinion, are likely to remain so permanently.

You will be assessed on the occupation you were following immediately before the onset of disability. However, if you are not in gainful employment at the time of a claim then your claim will be assessed under the functional assessment tests definition as described below. Full details are provided in your policy document.

### Joint life policies

For joint life policies where one applicant is occupation class 1 or 2\* and the other applicant is a Houseperson, the definition applied when the policy is taken out will be “own occupation”.

At the time of a claim, if the person claiming is in gainful employment then the own occupation definition will apply. If the person claiming is not in gainful employment then the functional assessment tests definition will apply.

For joint life policies where one applicant is occupation class 1 or 2\* and the other applicant is class 3 or 4\*, the definition applied when the policy is taken out and at claim will be the functional assessment tests definition.

### Functional assessment tests definition

This definition applies to all other occupation classes or occupation class 1 or 2\* who do not choose the “own occupation” definition. Under this definition the plan will pay out if, due to illness or accident, you suffer an irreversible mental or physical disability which, in the opinion of Legal & General’s Chief Medical Officer, results in you being permanently unable to carry out at least three of the following functional assessment tests without the help of another person. These tests include:

- Walking – the ability to walk a distance of 200 metres on flat ground with or without the aid of a walking stick and without stopping or experiencing discomfort
- Bending – the ability to get into or out of a standard saloon car and the ability to bend or kneel to pick up an object from the floor and straighten up again

\* Your adviser or Legal & General will be able to tell you what occupation class and definition of Total and Permanent Disability applies to you.

- Communicating – the ability to answer a telephone and to take a message
- Reading – having the required eyesight (corrected if necessary) to be able to read a daily newspaper
- Writing – having the physical ability to write legibly using a pen or pencil without aid
- Climbing – having the ability to climb up a flight of 12 stairs without stopping or suffering severe discomfort

**You do not need to notify us if you change your occupation during the term of the plan.**

### **Indexation**

This helps your cover to keep up with inflation. Both the premiums and the amount of monthly benefit we would pay following a valid claim will increase in line with the Retail Price Index each year (up to 10% in any one year). This option is only available if your application is accepted at normal rates.

If you choose to include the indexation option, you must choose to take it at the start of your plan and we will offer you the opportunity to increase your cover regularly. If you decline the option at any time, we will not offer it again. If you do refuse this option, the premiums and the amount of monthly benefit paid will remain constant at the then existing level.

### **Option to increase the amount of cover you have later on during the plan (guaranteed insurability option)**

You may increase the amount of cover later on without the need for further medical evidence up to certain limits. This is your guaranteed insurability option. You can do this if:

- You get married or enter into a civil partnership\*
- You become a parent
- You increase your mortgage because you are moving home or improving your home
- Your salary increases

For your policy to include this guaranteed insurability option the policy must be accepted on standard terms and normal rates before your 45th birthday. This option must be exercised before your 50th birthday (older life for joint life policies).

We will not ask any more medical questions and the rates at the time of the increase will apply. The limits which apply are set out in your policy document. Your financial adviser can give you more details.

\* The Civil Partnership Act (CPA) 2004 came into force on 5 December 2005. The CPA is designed to provide a system of registration for same sex relationships. Civil partners will be in a relationship akin to marriage in respect to the laws of survivorship and benefits.

### **Accidental death benefit**

Accidental death benefit provides you with life cover while your application form is being processed. This cover is provided free of charge and without the need for any underwriting. It will cover you if you die following an accident. The amount of cover will be the amount of life cover you have applied for or £300,000 whichever is the lowest.

The cover will start when we receive a completed application form, and will last for 90 days, or until we accept, postpone or decline your application or you notify us that you do not wish to proceed with your application – whichever occurs first. Terms and conditions apply. Please see the protection plans technical guide (available on request) for more details.

Your personal illustration shows whether any of these options have been included in your plan.

### **After the plan starts, is there anything I need to do?**

If your plan includes critical illness cover and you move abroad, you should check your policy conditions, as this may affect your cover.

### **When will my cover start?**

You decide when you want your cover to start and the amount of benefit you require.

### **Will my payments ever go up?**

#### **Life cover**

If you choose life cover, your premium is guaranteed. This means that your monthly (or annual) payment will stay the same throughout the term of the plan.

#### **Critical illness cover**

If you choose critical illness cover your premium is reviewable. This means that your premium will stay the same for the first five years. We will then review your premium and recalculate it to see whether it will change at the fifth anniversary of your policy and every five years after that.

We will assess any payment change fairly. When a review takes place the main factors we currently look at include:

- General industry claims experience
- The expected impact of future medical advances
- The number of claims we have had
- The number of claims we expect to have and when we expect them to be made

Your current state of health will NOT be a factor at a review.

If, when your premium is reviewed and recalculated, and it is within 5% of the premium you currently pay, we will not change your premium at this time.

Legal & General has a wide range of protection products to suit all your needs. If you are unsure whether reviewable premiums are suitable for your circumstances, you should discuss your options with your financial adviser.

#### **Life and critical illness cover**

For life and critical illness cover you can choose between guaranteed or reviewable premiums.

For products with guaranteed premiums, the starting premium is currently more expensive than for similar products with reviewable premiums.

### **For all types of cover**

Your premium will also change if you:

- Increase the amount of cover
- Choose the indexation option
- Exercise your guaranteed insurability option

### **What happens if I move abroad?**

We can normally only offer cover to applicants currently residing in England, Scotland, Wales or Northern Ireland.

If you take out a policy with us and then move abroad, your cover may continue if you live in, or travel to, any of the countries that comprise the European Union.

If you live in any other countries for more than 12 months, we reserve the right to decline any critical illness claim.

### **What are the charges?**

The premium payments shown in your illustration include all the costs of administration, underwriting, claims, commission and selling expenses.

### **What if I am not sure if this product is suitable for me?**

If you have any doubt about whether this product is suitable for your circumstances, please contact either Legal & General or your financial adviser. Legal & General only advises on its own life assurance and investment products.

### **Making a claim**

If you or your representatives need to make a claim, please write to us at:

Legal & General Claims Department  
City Park  
The Droveaway  
Hove  
BN3 7PY

When we receive notification of a claim we will send you or your representatives a claim form to complete and return to us. We may ask you to provide us with certificates or other evidence as required.

For critical illness claims we may need to ask you to undergo a medical examination. In order to make a valid claim all diagnosis and medical opinions must be provided by a medical specialist:

- Who holds an appointment as a Consultant at a hospital in the UK
- Whose specialism is appropriate to the cause of the claim
- Who is accepted by our Chief Medical Officer

# Further information

## Your cancellation rights

After we have accepted your application, we will send you a notice of your right to cancel. By law we must send you this notice. We then give you 30 days to change your mind about starting the plan. If you do change your mind, you need to send the notice back to us at:

Legal & General Assurance Society Limited  
City Park  
The Droveaway  
Hove  
BN3 7PY

and we will then cancel the plan. If you do this, we will refund any premiums you have paid.

If you do not take this opportunity to cancel and you want to do so at a later stage, you may not get any money back. If you want to cancel at a later stage, please write to the address above.

## Complaints

If you wish to complain about any aspect of the service you have received from Legal & General, or you would like us to send you a copy of our internal complaint handling procedure, please contact our Helpdesk on 0870 010 4080.

We may record and monitor calls. Call charges will vary.

Alternatively you can write to us at:  
Legal & General Assurance Society Limited  
PO Box 1186  
Hove  
East Sussex  
BN3 1SD

If you remain dissatisfied, you can complain to:

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR  
Telephone: 0845 080 1800  
Email:  
complaint.info@financial-ombudsman.org.uk  
Website: www.financial-ombudsman.org.uk

Making a complaint will not affect your legal rights.

## Law

This contract is governed by English law.

## Language

We will communicate in English throughout the term of this contract.

## The Financial Services

### Compensation Scheme (FSCS)

The Financial Services Compensation Scheme covers the policies issued by us. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

The Financial Services Compensation Scheme may arrange to transfer your policy to another insurer, provide a new policy or if these actions are not possible, provide compensation. For the Family and Personal Income Plan the first £2,000 of any claim is protected in full. Above this amount, the scheme covers payment to 90% of the value of the policy.

You can get more information from the Financial Services Compensation Scheme at:

7th Floor  
Lloyds Chambers  
1 Portsoken Street  
London E1 8BN  
Telephone: 020 7892 7300  
Email: enquiries@fscs.org.uk  
Website: www.fscs.org.uk

## **Tax**

The proceeds from this plan are free from UK income tax and capital gains tax.

However, for life insurance, as we pay the proceeds after the death of an insured person, inheritance tax may be due on the benefits paid. You may be able to avoid inheritance tax by using an appropriate trust. Ask your financial adviser for more details. The Government may change the tax position described above.

## **Our Regulator**

We are authorised and regulated by the Financial Services Authority. We are entered on their register under number 117659. You can check this at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or telephone them on 0845 606 1234.

## **A Guide to Critical Illness Cover**

The Association of British Insurers (ABI) gives general information about critical illness cover in their booklet "A Guide to Critical Illness Cover". You can ask us for a copy or you can get a copy by writing to: The Association of British Insurers, 51 Gresham Street, London EC2V 7HQ.

## **Please Note:**

This leaflet complies with the ABI Statement of Best Practice for critical illness cover. It is a guide to our Family and Personal Income Plan and is based on our understanding of current laws and tax rules. Further details are given in the plan schedule and the policy document. You should get expert advice about the legal and tax information in this leaflet.

## **We're here to help**

If you have any queries, would like more information, or you would like this document in Braille, large print or audiotape, please contact the Legal & General Helpdesk on 0870 010 4080. We may record and monitor calls. Call charges will vary.