

IMPORTANT INFORMATION

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Key Features of the Whole of Life Protection Plan Life Assurance

This is an important document,
which you should retain.

Its aims

The plan aims to do the following:

- to provide the amount of cover you choose
- to pay a guaranteed lump sum when you die.

Your commitment

You must do the following:

- Pay the required premium monthly or annually by direct debit for the rest of your life. If you have asked for immediate cover, you must pay the first month's premium by cheque and thereafter pay the rest of your premiums by direct debit.
- Give us all the information we ask for on the application form and when your representatives have to make a claim.

Risk factors

The plan carries the following risks:

- If you do not truthfully provide all the information we ask for on your application form or when you claim, we will not pay out under the plan.
- The plan has no surrender value and no cash in value.
- If you stop paying the required level of premiums your cover will end after 30 days. Your plan will lapse and no further benefits will be payable.
- We will not pay out in the circumstances described under the 'When will the policy not pay out?' section. Consequently, this policy may be unsuitable for your needs. If you are in any doubt, please contact your financial adviser.
- Premiums continue throughout your life, so if you are unsure you can continue to afford premiums at any time (for example, after you retire) this policy is likely to be unsuitable for you. If you are in any doubt, please contact your financial adviser.
- The sum assured paid out at claim is set at outset (unless you choose to increase your cover - see the 'Can I increase the amount of cover later on?' section). If this product is taken out for a specific purpose, for example, inheritance tax (IHT) planning, there is no guarantee it will meet the entirety of any future liability. It is the policyholders responsibility to monitor their liability and ensure that the sum assured remains appropriate for the purpose intended.
- The terms of the plan are set at outset and cover cannot be altered unless you exercise your Guaranteed Insurability Option. See the 'Can I increase the amount of cover later on?' section.

YOUR QUESTIONS ANSWERED

How does the plan work?

The Whole of Life Protection Plan is a life assurance contract designed to give you a specified amount of life cover for the whole of your life. This is called the Guaranteed Death Sum Assured and will be paid out if there is one life assured on the death of that life assured. If there are two lives assured, on the death of the first or second life assured – whichever option is chosen at outset.

For Family Protection

The benefit paid out can be used to help protect your dependants financially by providing a lump sum which they can use to help provide an income or pay off outstanding debts.

For Inheritance Tax Planning

The Whole of Life Protection Plan can help fund the inheritance tax (IHT) payable on the life assured/s death. This is done by calculating the expected IHT bill and taking out a policy for this sum assured and placing it under trust for the beneficiaries of the estate. On death, the sum assured will be paid out to the trustees, free of IHT, and they can use this to pay the tax and release the estate.

The Whole of Life Protection Plan can provide a means for paying IHT liability. However, there are other steps you can take to mitigate your IHT liability. Please ask your financial adviser for more details.

For Business Protection

The Whole of Life Protection Plan has several uses for business protection.

• Directors'/Partners' Share Protection

Business partners or directors of a company can each arrange a Whole of Life Protection Plan which pays out on their death to the surviving business associates. The policies are written under a special trust, so that survivors can use the money to purchase the deceased's share of the business from his/her estate.

• Key Person Protection

The Whole of Life Protection Plan can help to protect the company against the financial loss of a 'key' employee as a result of death.

You must pay all premiums due to keep your cover in force.

All cover is subject to terms and conditions which will be fully detailed in your policy document. Please also see the 'When will the policy not pay out?' section.

We may need medical information before we agree to provide cover.

Premiums are fixed at the start of the policy, and will stay the same unless you chose to increase the level of cover, you index link your policy, or you exercise your Guaranteed Insurability Option.

Who can the plan cover?

You can apply for the plan to cover:

- you alone
- you and another person
- one or two people not including you.

If the plan covers two people it can be set up as a joint life first death plan. This will only pay the sum assured after the death of the first life assured. The plan will then cease and no further benefits or premiums will be payable.

Alternatively, you can set the plan up as a joint life second death plan. This will only pay the sum assured after the death of both lives assured. The plan will then cease and no further benefits or premiums will be payable.

If you are taking this policy out for inheritance tax (IHT) purposes, and wish to take out a joint life policy, you may need to opt for a joint life second death plan, as IHT is not payable if the estate passes to a spouse or civil partner* as long as they are UK domiciled. Please ask your financial adviser for more details.

* The Civil Partnership Act 2004 (CPA) 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.

How long can the plan last?

You are eligible to apply for The Whole of Life Protection Plan from the age of 18 to the age of 84 and the plan continues until the death of the life assured(s).

This plan can be taken out for someone under the age of 18 (but no younger than 16). If this is the case, then the plan must be taken out in trust by someone over the age of 18.

How much does the policy pay out?

You decide how much benefit you would like the plan to pay out. The level of benefit you choose will determine your premium.

The plan only pays the benefit once and then all cover ends.

If you have chosen this plan for business protection, then the policy benefits can be paid out as a lump sum or in capital instalments over two, three or five years. If you choose this option, it must be selected at outset. The sum assured will be paid in instalments over the term specified at outset. If the instalments option has been chosen then at the time of a claim it is possible to commute the instalments into a lump sum on terms specified by Legal & General at that time.

The attached personal illustration shows how much cover you have chosen, and your monthly premium.

When will the policy not pay out?

We will not pay a claim if:

- the policy has ceased due to non payment of premiums. See the 'What happens if I stop paying my premiums?' section.
- you do not truthfully provide all the information we ask for on your application form or when you or your representatives claim.
- you commit suicide in the first 12 months of the plan.

What other options are available?

Some of these benefits are optional. If required, they must be chosen at the start of the plan and there may be an additional cost. For full details ask your financial adviser or Legal & General.

• Waiver of Payment Benefit

You can choose to include Waiver of Payment Benefit. This benefit means that you do not have to pay your premiums if you become totally unable to carry out your normal occupation, because of an illness or accident that requires medical or surgical treatment. Additionally you must not be following any other occupation.

If you are not in gainful occupation, you do not have to pay your premiums after 26 weeks, if you suffer an illness or accident and in the opinion of Legal & General's Chief Medical Officer are unable to carry out at least three of the following Functional Assessment Tests without the help of another person as per the list below:

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 off the floor and straighten up again

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 a flight of 12 stairs without stopping or suffering severe discomfort.

For more information please ask your financial adviser.

Although you must continue to pay your premiums at first, after 26 weeks of incapacity we will waive your premiums.

We will continue to waive premiums until:

- you no longer qualify for Waiver of Payment Benefit
- your 60th birthday
- you die.

Whichever is the earliest.

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 the Whole of Life Protection Plan Technical Guide. You can ask us for a copy of this.

• Indexation Option

This helps your cover to keep up with inflation. For plans accepted at ordinary rates, the Indexation Option can be included. We will review your cover every year and offer you the opportunity to increase your cover in line with the change in the Retail Price Index (RPI) without you having to provide us with further medical evidence.

If indexation is included in your plan and you decline this option at any time, we will not offer it again. The amount of your cover will be subject to a maximum increase of 10% a year. If the RPI growth rate is less than or equal to 1%, both the premium payments and cover will not be changed for that year. However, the option will still be available in future years.

The sum assured will increase directly in line with the RPI. So for example, if the sum assured at outset is £100,000 and the RPI stands at 2%, then the following formula will apply:

Sum assured plus RPI@2%

$$£100,000 \times 2\% = £2,000$$

So your new sum assured will be

$$£100,000 + £2,000 = £102,000.$$

The premium however will increase by the change in the RPI multiplied by 2. This takes account of the additional risk to Legal & General as you are more likely to claim as you get older. The increase in the sum assured is made regardless of any deterioration in your health.

So for example, if the premium at outset is £100 and the RPI stands at 2%, the formula will be as follows:

RPI@2% x 2

$$2\% \times 2 = 4\%$$

$$£100 \times 4\% = £4 = \text{premium increase}$$

So your new premium will be £100 + £4 = £104

Your personal illustration shows what options and benefits are included in your plan.

Example	Assumed Rate of RPI	Sum Assured	Premium
At outset of policy	N/A	£100,000	£100
Year 1	2%	£102,000	£104
Year 2	3%	£105,060	£110.24
Year 3	2%	£107,161	£114.65

Full details are available in your policy document or technical guide.

Can I increase the amount of cover later on?

In certain circumstances described below, you can 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 exercise your Guaranteed Insurability Option without the need for further medical evidence up to certain limits.

You can do this if:

For Family Protection

- you get married or enter into a civil partnership
- you increase your mortgage because you are moving home or improving your home
- you become legally separated, divorced or dissolved
- you or your partner give birth to or adopt a child

For Inheritance Tax Planning

- your expected inheritance tax liability increases
- there is an increase in the inheritance tax rate
- there is a reduction in the IHT tax rate bands, exemptions or reliefs

For Business Protection

- your share of a partnership or shareholding in a company increases
- the policy has been taken out to cover 'key' personnel within the business and the life assured's value to the business increases

Eligibility for Guaranteed Insurability Options

For family and business protection we will not ask any more medical questions if you effected your plan before your 45th birthday, were accepted on standard terms and normal rates and the option is exercised before your 50th birthday.

You can increase your cover up to three times in total, (but only once in respect of marriage or entry into a civil partnership and once in respect of divorce or dissolution of a civil partnership).

For inheritance tax purposes, we will not ask any more medical questions if you effected your plan before your 45th birthday, were accepted on standard terms and normal rates and the option is exercised before your 65th birthday. This option can only be exercised once.

The premium rates at the time of the increase will apply. The limits which apply are set out in your policy document. See the technical guide, your policy document or your financial adviser for more information.

Can I change the beneficiaries?

If the policy is placed under a Legal & General Flexible Trust, you (in agreement with any other trustees of this policy) may be able to change the beneficiaries of the policy at any time. For further advice you should speak to your financial adviser.

Can I cash in the plan?

This plan has no cash in value at any time. This means that if you stop paying your premiums your cover will cease and no refund or surrender value will be paid.

Will my payments ever go up?

Your premiums will stay the same unless:

- you choose to increase your level of cover
- you index link your cover
- you exercise your Guaranteed Insurability Option.

What happens if I stop paying my premiums?

If you fail to pay a premium within 30 days of its due date, then the plan will lapse and have no value.

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 whether 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 advises only on its own life assurance and investment products.

How do I make a claim?

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

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

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

FURTHER INFORMATION

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 31 December 2006) on behalf of investors, policyholders and institutions.

Your cancellation rights

After we have accepted your application, we will send you 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 Doveway
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 above address.

Tax

The proceeds from this plan are free from UK income tax and capital gains tax. However, for life assurance, as we pay the proceeds after the death of an insured person, inheritance tax may be due on the proceeds. 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.

Law

This contract is governed by English law.

Language

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

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 or telephone them on 0845 606 1234.

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 08700 104 080. 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.

Compensation

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 Whole of Life Protection Plan policies, the first £2,000 of a 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.

7th Floor Lloyds Chambers
1 Portsoken Street
London
E1 8BN

Telephone: 020 7892 7300
Email: enquiries@fscs.org.uk
Website: www.fscs.org.uk

Please note

This leaflet is a guide to our Whole of Life Protection Plan and is based on our understanding of current laws and tax rules. Further details are given in 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, or would like more information, please contact your usual financial adviser. Or you can call the Legal & General Helpdesk on: 08700 104 080

**WE MAY RECORD AND MONITOR CALLS
CALLS CHARGES WILL VARY**

This leaflet is a guide to the key features of this product. Full details are contained in the policy document, which is the legally binding contract between you and Legal & General.