

INCOME PROTECTION

This policy is underwritten by Liverpool Victoria Life Company Limited. This policy summary does not contain the full terms and conditions of the policy. You will find the full terms and conditions in the policy document.

1. The Benefits

Income Protection can give you a regular monthly income if you are incapacitated while you are insured, to replace some of your lost income or, if you are not working, meet additional expenses.

2. What do we mean by Incapacitated?

This depends on the job that you do and will usually mean one of the following at the time you become ill or have an accident:

- You are not able to do the essential things necessary to do your normal job because of an accident or illness.
- For an initial period you are not able to do the essential things necessary to do your normal job because of an accident or illness. After this period it means that you are unable to do the essential things necessary to do any job, which you could reasonably do, given your previous experience, training and education.
- You are unable to do certain activities considered essential to working without someone else's help (we call these 'work tasks') because of an accident or illness. These include:

Walking	Climbing	Bending
Financial Independence	Communicating	Eyesight
Healthcare	Dexterity	

If you are a homemaker or in part-time work we may measure incapacity differently from above. We will tell you if this applies to you.

We will not pay out if you are working when you first claim.

If you are unemployed when you become ill or have an accident we will not pay out unless you cannot go outdoors without help.

Full details of which of the above definitions applies will be confirmed to you when you take out the policy.

3. The Types of Cover

You can choose between the two following options:

- Level Protection – the regular income we would pay in the event of a successful claim is fixed when you start paying the premiums and will not change. If you choose Level Protection, inflation will reduce the buying power of the regular income over time.
- Increasing Protection – both the regular income we would pay in the event of a successful claim and the premiums you need to pay go up each year in line with rising prices. We measure this using the Retail Prices Index (RPI).

You can also choose the number of months you would need to wait before we would start paying out if you are incapacitated. This is called the deferred period in the policy document. You can choose from 3, 6, 12 or 24 months, and you may be able to choose 1 and 2 month periods, depending on your job.

You can choose to insure someone else if you would lose out financially if they were incapacitated. If you insure someone else it is their health and earnings we would look at if you made a claim. Any payment would be made to you.

Currently, all personal benefits under this plan are paid free of Income Tax and Capital Gains Tax.

4. The Cost of the Cover

You can choose between guaranteed or reviewable premiums.

Whether you choose reviewable or guaranteed premiums your cover will stop if we do not receive any premium within 60 days of the date it was due.

Guaranteed Premiums

If you choose guaranteed premiums, the premium you pay is guaranteed as soon as you start paying. This means that your premium will not increase unless you choose Increasing Protection and then only in line with rising prices (RPI).

Reviewable Premiums

If you choose reviewable premiums we guarantee not to increase or decrease the premiums for the first 5 years of your policy (other than where Increasing Protection is chosen) but we can do any time after that. If your premiums do go up or down we guarantee we will not change them again for the next 12 months.

When we review the premiums we look at the actual claims we have received from other policyholders.

There is no limit to the amount your premium might go up or down, but when working it out we will make sure we act fairly and reasonably.

If your premiums need to go up as the result of a review, we will tell you before we make the change. At that time you will be able to choose whether to pay the increase or reduce your cover.

The quote enclosed shows you how much your cover would cost assuming we accept you on our standard terms.

5. Eligibility requirements

To apply for Income Protection

- You must be a UK resident (not the Channel Islands or Isle of Man).
- You must be aged 17 to 59 when your policy starts.
- You must take out the policy for at least 5 years.
- The policy must end before you reach age 65, and in some cases earlier – we will tell you if this applies to you.

You should not assume that we will write to your doctor, it is your responsibility to complete the application form properly.

6. Rehabilitation/Proportionate Benefits

If you are claiming benefits under this plan and go back to work in your normal job on a part-time basis or a different job on a reduced salary because you are not fully recovered, we may still pay out an income. Section A, Conditions 10 and 11 of the policy document explain when we would pay and the way we work out how much we would pay.

7. Limitations

When you apply for the policy, make sure that you answer all of the questions on the application form honestly and in full. If you miss out providing us with any information, or give us misleading information, we may not pay a claim. Please see Section B, Condition 19 of the policy document.

The policy will be cancelled if we do not receive within 60 days of the start date:

- the signed application;
- where appropriate, a signed summary of any interview required for setting up the policy.

No refund of premiums will be made. See Section B, Condition 19 of the policy document.

You need to tell us promptly if you are intending to make a claim. If you do not do so, payment of the benefit may be delayed. See Section A, Condition 4 of the policy document.

The most we would pay is half the amount you earned before tax immediately before you became incapacitated less anything you were getting from other sickness or accident policies. We also take off some of any income you get from your employer or a pension. See Section A, Condition 8 of the policy document.

If you were unemployed at the time you became incapacitated the most we would pay is £1,000 per month. See Section A, Condition 7 (b) of the policy document.

If you go back to work after a claim and then have to stop work again within 6 months because of the same illness, we might start paying again immediately. If the reason you are stopping work is different we will treat it as a new claim and won't pay out until the end of another deferred period. See Section A, Condition 9 of the policy document.

If you have Increasing Protection and we are paying a claim when we are due to increase the benefits, the maximum increase will be 12% for that year. See Section B, Condition 13 of the policy document.

We will only pay a claim while you are in the EU or one of a number of other countries listed in the policy. We will not refuse to pay a claim if the accident or illness happened somewhere else in the world provided you are in one of these countries to receive payments. See Section A, Condition 12 of the policy document.

8. Duration of the insurance

Your cover starts from the date we ask for the first premium and continues until the expiry date shown on your policy document unless you stop paying the premiums.

No further cover will be provided after the policy's expiry date unless you take out a new policy. **The policy has no cash-in value at any time.**

Tax treatment depends on your personal circumstances. Any references to taxation are based on our understanding of current legislation and HM Revenue & Customs practice, which is subject to change.

9. Making sure your policy continues to give you the cover you need.

Check your cover regularly to make sure you have the right amount of cover as your financial position changes.

If you have chosen Increasing Protection, this will help as the buying power of your cover will be protected against the effects of inflation. However, it is still a good idea to check this on a regular basis.

If you have chosen Level Protection, you must make sure you regularly check your cover as rising prices will reduce its buying power.

10. Cancelling your policy

When you receive your plan documents you will also receive a notice reminding you of your legal right to change your mind. You have the right to cancel your plan within 30 days of receiving the notice. You can do this by completing and returning the cancellation form to us at Liverpool Victoria Life Company Limited, Pynes Hill House, Rydon Lane, Exeter, EX2 5SP

If you send us your cancellation form within 30 days of receiving it, we will refund any premiums you have paid. You can cancel your plan anytime after this, but there will be no return of premiums paid. There is no cash in value for this plan.

11. Making a claim

You can make a claim by telephoning 0800 028 6333. For textphone: first dial 18001. Calls may be recorded for training and monitoring purposes. Or you can write to us at: LV=, Pynes Hill House, Rydon Lane, Exeter EX2 5SP

12. Complaints

If you have a complaint about any aspect of the service you receive from LV=, please phone us quoting your reference number. Alternatively, you can write to us at: Box 2, LV=, County Gates, Bournemouth BH1 2NF.

Making a complaint will not affect your right to take legal action. We operate a written complaints procedure in accordance with the Financial Services Authority and you may be able to refer your complaint to the Financial Ombudsman Service. Details of our complaints handling process are available on request.

13. Compensation

We are covered by the Financial Services Compensation Scheme. 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. This type of business is covered for 100% of the first £2,000 plus 90% of the rest of the claim and the maximum compensation is unlimited.

Further information about compensation arrangements is available from the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN. Tel: 020 7892 7300. Fax 020 7892 7301 or email: (enquiries@fscs.org.uk).

14. Law

The Law of England and Wales will apply. All communications will be in the English language.