

keyfacts®

**KEY FEATURES OF THE
FLEXIBLE PROTECTION
PLAN **COMBINED LIFE
& CRITICAL ILLNESS
PROTECTION****

You should keep this
booklet in a safe place
for future reference

LV= LIVERPOOL VICTORIA

KEY FEATURES OF THE FLEXIBLE PROTECTION PLAN COMBINED LIFE & CRITICAL ILLNESS PROTECTION

We are able to provide literature and communications in the following alternative formats: Braille, large print, audiotape.

ITS AIMS

- To provide a cash lump sum if you, or the person you are insuring if different, die or are diagnosed with one of the critical illnesses covered by the policy during the term of the policy.

YOUR COMMITMENT

- You choose the amount of cover you need and how long you need it for. You then pay the monthly premiums when they are due, by direct debit.
- You answer all the questions on the application form carefully and to the best of your knowledge and belief. If you are insuring someone else they do the same.
- You tell us if there is any change to the information you or the person insured put on the application form, or in supporting documents you give us, between the date the application form is filled in and the date the policy starts.

RISK FACTORS

- If you stop paying premiums your cover will stop after 60 days.
- If the policy has been taken out together with a loan or mortgage, it is not guaranteed to pay all of the outstanding balance in the event of a claim.
- If you choose level protection inflation will, over time, reduce the buying power of the cash lump sum.
- If you do not tell us everything we ask on the application form or about a change before your policy starts we might not pay a claim.
- Although you are covered wherever you are in the world, in the event of a valid claim we will only pay out if we receive medical evidence from certain countries (please see the Policy Document for further details).
- If this policy pays out on the death of the insured person, the proceeds may subsequently be liable to inherit tax.
- **WARNING – this policy has no cash-in value at any time.**

YOUR QUESTIONS ANSWERED

What is the Flexible Protection Plan?

This plan lets you mix and match different life and health policies to give you a comprehensive plan designed to meet your particular needs.

You can choose from four types of cover:

1. Life Protection
2. Critical Illness Protection
3. Income Protection
4. Mortgage Payment Protection

This document only gives information on Combined Life & Critical Illness Protection. If you need further information or assistance or would like information about any of the other policies available under this plan, please speak to your Financial Adviser.

What is Combined Life & Critical Illness Protection?

It provides a cash lump sum in the event of a valid claim if the insured person dies or is diagnosed with one of the critical illnesses covered by this policy (see 'What critical illnesses are covered?'), within a specified number of years (the Term).

Payment of the Critical Illness Protection lump sum, other than critical illness payments for children, will mean that your policy will end unless you have chosen a higher level of Life Protection than Critical Illness Protection. In this case the life insurance will continue for the excess amount. If we pay a death claim the policy ends and no more premiums are payable.

You can choose between the following options:

- Level protection – the lump sum that would be paid out if you make a valid claim is fixed when you start paying the premiums and will not change.
- Decreasing protection – the lump sum that would be paid out if you make a valid claim keeps going down to match the amount outstanding on your repayment mortgage provided interest rates don't go up to more than 12%.
- Increasing protection – both the lump sum that would be paid out if you make a valid claim and the premiums you need to pay go up in line with rising prices. We measure this using the Retail Prices Index (RPI).

You must also choose whether to be covered for:

- Critical Illness Protection with Permanent Total Disability Cover,
- Critical Illness Protection without Permanent Total Disability Cover, or
- Just Permanent Total Disability Cover (see **'What other options are available?'**).

Can I apply?

To apply:

- 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.
- The policy must be for 5 years or more but cannot be more than 40 years (30 years if you choose guaranteed premiums – see **'Will my premiums change during the term?'**).
- The policy must end before you reach age 65.

The application form must be signed by all relevant applicants and insured persons and returned to us within 60 days from the start date of the policy. For persons that are being insured this requirement extends to them signing the summary of any interview we may require for the purpose of underwriting the policy. Accordingly, we will cancel the policy and no premiums will be refunded if we do not get all the necessary signatures within the 60 days required.

When you apply for the policy, please 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. You should not assume that we will write to your doctor, it is your responsibility to complete the application form properly.

Can I insure someone else?

Yes, if you would lose out financially if they died or were diagnosed with a critical illness. You can apply for the policy to cover:

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

If the policy covers two people, it will not pay out for more than one valid critical illness claim during the period of cover. The children of each person insured also have some limited Critical Illness Protection, as long as the policy remains in force.

The person being insured will need to fill out the health and medical details sections of the application form. The age limits apply to them as the person you are insuring, not you as the applicant. If they die or are diagnosed with a critical illness and you make a valid claim we would pay the cash sum to you.

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 details of the illnesses covered and the circumstances in which you can claim are given in 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.

Alzheimer's disease (including senile and pre-senile dementia) – *resulting in permanent symptoms*

Aorta graft surgery – *for disease*

Aplastic anaemia – *complete*

Bacterial meningitis – *resulting in permanent symptoms*

Benign brain tumour – *resulting in permanent symptoms*

Blindness – *permanent and irreversible*

Cancer – *excluding less advanced cases*

Cardiomyopathy

Coma – *resulting in permanent symptoms*

Coronary artery by-pass grafts – *with surgery to divide the breastbone*

Creutzfeldt-Jakob 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 or EU from a blood transfusion, a physical assault or at work

Kidney failure – requiring dialysis

Liver failure

Loss of independent existence

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

Progressive Supranuclear Palsy

Severe lung disease

Stroke – resulting in permanent symptoms

Terminal illness

Third degree burns – covering 20% of the body's surface area

Traumatic head injury – resulting in permanent symptoms

You can find full details of the illnesses covered by the policy and the criteria we use to pay a claim in the Policy Document.

What other options are available?

Buyback Cover

When you start your policy you can choose to include what we call 'Buyback Cover' for an additional cost. By doing this you will be able to replace your Life Protection one year after we pay out on a valid critical illness claim without the need for medical evidence. The amount of the new Life Protection can be up to the lower of:

- the amount of critical illness benefit paid, or
- the amount of death benefit under the existing policy immediately before the date of the critical illness claim.

The new benefit must have the same expiry date as the original benefit.

You can't have this if there is more than one insured person covered under the policy.

Permanent Total Disability Cover

If you choose to include Permanent Total Disability cover, depending on your occupation, you will be covered for either:

- Not being able to do the main aspects of your normal occupation and never going to be able to do so, or
- Not being able to do certain activities without someone else's help (we call these 'work tasks') and never going to be able to do so. These daily activities include:

Walking	Climbing	Bending
Communicating	Eyesight	Healthcare
Financial Independence		Dexterity

We will tell you which of these applies to you before you start paying premiums.

Waiver of Premium Cover

You can choose whether or not to include Waiver of Premium in your plan. If you choose to include it, you won't have to pay the premiums for all your policies in your plan if you are unable to work due to being incapacitated. If you are insuring someone else under the policy it is their health that we would look at when deciding whether to pay a claim. If you have chosen for the benefits payable under any of your policies in this plan to increase, this cover will automatically go up in line with them. However, we may not let you increase the cover if you change or take out any new policies under your plan if your health has deteriorated.

What we mean by incapacitated 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 (13 weeks if aged 55 or over, 26 weeks if aged under 55, when incapacity starts) you are not able to do the essential things necessary to do your normal job because of an accident or illness. After that 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
Communicating	Eyesight	Healthcare
Financial Independence		Dexterity

If you are a homemaker or in part-time work we may measure incapacity differently from the above. We will tell you if this applies to you. We will not pay out if you are working when you make a 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.

You can also choose the number of months you would need to wait before we stop asking you to pay your premiums if you are incapacitated. This is called the deferred period. You can choose from 3 or 6 months, and you may be able to choose 1 or 2 month periods depending on your job.

We will only waive the premiums if you are in the EU or one of a number of other countries listed in the Policy Document. However, we will not refuse to pay a claim if the accident or illness happened somewhere else in the world provided that you then return to one of the listed countries.

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 stop asking for your premiums again immediately. If the reason you are stopping work is different or we don't cover the specific circumstances relating to your relapse we will treat it as a new claim. If this happens we will ask you for your premiums until the end of another deferred period.

How much will the cover cost?

With this Key Features document you will find a quote showing how much your cover will cost if we accept you on our standard terms. The cost depends on a number of things, including your gender, age, state of health and whether or not you smoke. We give lower rates to non-smokers – someone who has not smoked or otherwise used any tobacco products or substitutes in the last twelve months.

The minimum premium is £5 per month for the whole plan. Each policy within the plan has its own administration fee. If you choose to include more than one policy when you take the plan out, we may reduce the administration fees we add to each policy.

Will my premiums change during the term?

Combined Life & Critical Illness Protection

You can choose between guaranteed or reviewable premiums.

Guaranteed Premiums

If you choose guaranteed premiums, the premium you pay is guaranteed as soon as you start paying. We will not increase it unless you choose Increasing Protection and then only in line with rising prices (RPI). If you choose guaranteed premiums you can't have more Critical Illness Protection than Life Protection.

Reviewable Premiums

If you choose reviewable premiums, we guarantee not to increase or decrease the premiums for the first 5 years of your policy, but we can do so 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 assumptions we made including the number and type of claims we thought we would get when we set your premiums,
- what has actually happened, and
- what we now consider it is reasonable for us to assume is going to happen in the future.

There is no limit to the amount your premium might go up or down, but when working it out we will make sure we are being fair and reasonable. If your premiums need to go up or down we will tell you before we make the change. If your premiums need to go up you will be able to choose to either pay the increase or reduce your cover and maintain the premium at its current level.

Also, if you have chosen Increasing Protection your premiums, and cover, will automatically go up each year in line with inflation.

Waiver of Premium Cover

The premium you pay is guaranteed as soon as you start paying. We will not increase it unless you have chosen Increasing Protection for your Combined Life & Critical Illness Protection and then only in line with rising prices (RPI), or when the reviewable premiums for your Combined Life & Critical Illness Protection are increased at a review date.

How do I pay for the cover and what happens if I stop paying premiums?

You can only pay monthly by direct debit. If we do not receive your payment within 60 days of the date it was due, the policy will stop and you, or the person you are insuring will not be covered. **This policy has no cash-in value at any time.**

Is there anything I am not covered for?

If when you apply you fail to provide us with any information, or give us misleading information, we may not pay a claim. You should not assume that we will write to your doctor, it is your responsibility to complete the application form properly.

We will not pay a claim for Critical Illness Protection if you do not live for at least 14 days after being diagnosed with the critical illness, or having the operation. If the policy has been taken out alongside a loan or mortgage, it is not guaranteed to pay all of the outstanding balance if you are diagnosed with one of the critical illnesses covered.

This policy covers you anywhere in the world. However, for Critical Illness Protection we will only accept medical evidence to support a claim from certain countries. For Waiver of Premium Cover we will only waive the premiums if you are in certain countries.

Can I increase the benefits or extend the term of my cover if I need to?

Yes, you can change your cover at any time. We may ask you to provide us with evidence of your state of health at that time. Any change will be subject to the limits we were applying at that time.

The plan also includes the option to increase benefits on certain events, without the need for having to provide suitable medical evidence. The events covered are:

- Marriage/Civil Partnership Registration
- Birth/adoption of a child
- Divorce/Dissolution of Civil Partnership
- A mortgage increase or extension of the mortgage term

In certain circumstances a new policy may be required. Full details of the terms and conditions applying to these options can be found in the Policy Document, or you can speak to your Financial Adviser.

How would I claim?

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.

Claims can be made by telephoning 0800 028 6333. For Textphone: first dial 18001. Calls may be recorded for training and monitoring purposes. Alternatively, write to us at: LV=, Pynes Hill House, Rydon Lane, Exeter EX2 5SP

How much will the advice cost?

Your Financial Adviser will give you details about the cost of providing advice to you. The amount will depend on the amount of premium and the length of the policy term. It will be paid for out of the deductions.

FURTHER INFORMATION

Tax

The tax will depend on how the policy is set up – please see below. Normally, when the amount of cover is paid out on critical illness or death, it will be free of Income Tax and Capital Gains Tax.

Single Life, Own Life: The policy death benefits will normally form part of the deceased's estate and may, subsequently, be subject to Inheritance Tax.

Joint Life, Own Lives: The policy death benefit will normally be paid to the surviving policyholder. Normally half the death payment will be added to the deceased policyholder's estate for Inheritance Tax purposes.

Life of Another :The policy proceeds will normally be paid free of tax to the policyholder(s).

Trust: If you have a query about the taxation of policies in trust, please refer to your Financial Adviser.

Tax treatment depends on your personal circumstances. The above information is based on our understanding of current legislation and HM Revenue & Customs practice, which is subject to change.

Your Right to Cancel

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.

Law

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

Complaints

If you have a complaint about any aspect of this policy or the service you receive from us please telephone us on 01202 292333 quoting your reference number. For Textphone first dial 18001. Or, 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.

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

Liverpool Victoria Life Company Limited

Liverpool Victoria Life Company Limited is a wholly owned subsidiary of Liverpool Victoria Friendly Society Limited. **Liverpool Victoria Life Company Limited is authorised and regulated by the Financial Services Authority.**

Will I become a member of Liverpool Victoria Friendly Society Limited?

Yes, provided your monthly premium is £10 or more (unless you turn down membership when you fill out the application form). You will qualify for Membership benefits and, as soon as your policy has been running continuously for twelve months, you can take part in Annual General Meetings and vote on Liverpool Victoria Friendly Society Limited matters.

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