

Key Features

Pegasus Wealth Preservation Plan

Key Features you need to know and understand

**You may have arranged your plan through an Intermediary.
If so, you should contact them to discuss your plan.**

Key Features

Its aims

- To pay a cash sum if you die
- To help pay any inheritance tax liability if the plan is placed under a suitable trust
- To provide cover for as long as you want it to continue.

Your commitment

- You must do the following:
 - Answer all the questions in the Application Form correctly to the best of your knowledge and belief. We will set up your plan based on the information you tell us in your Application Form and any other information you supply to us in relation to your application. It is important that you tell us everything that may affect the terms we offer you. If you are in any doubt about whether something is important, please put the information on the Application Form. If you do not do this, it could mean your plan will not pay out
 - Tell us if:
 - there is any change to your personal health, family history, occupation or residence
 - you take up any hazardous sports or pastimesbetween signing the Application Form and when your plan starts. If you do not do this, it could mean your plan will not pay out
- You agree to pay regular premiums throughout the period of the cover
- If you choose to have the Indexation Options, your premium will change each year to reflect this. **Details of these options are given in section 4.1 of the Technical Reference Guide and section 2.4 (Indexation and Estate Value Options) of the Standard Provisions.** You can ask us for copies of these
- When you take out your plan you will have selected an appropriate level of cover at that time. You should review, and update if necessary, the level of cover regularly to make sure you have enough for your needs.

Risk factors

- If you do not accurately provide any information we ask for, we will not pay out under the plan
- We will not pay out in the circumstances described under the heading “**When will the plan not pay out?**” on page 3 or for something that is not covered by your plan
- To maintain your level of cover, we may have to increase your premium when we review your plan. This will depend on the basis of your cover and, for example, our claims experience, expenses or lifestyle changes. There is no limit to the amount that your premium may increase, but any increase will be fair and reasonable. **You can find more details of how we will review your plan and how we would apply any premium increase in section 3.6 of the Technical Reference Guide and section 2.5 (Policy Reviews) of the Standard Provisions.** You can ask us for a copy of these
- The value of the units you buy in the investment funds can fall as well as rise and is not guaranteed
- As the plan is for protection rather than investment there may be little or no value even after many years
- If you stop paying premiums your cover will only continue as long as the cost can be met from the value of units in your plan
- Our charges may have to rise by more than we anticipate in the future. This would reduce the value of the units in your plan
- There is no guarantee that the cover you choose will offset any inheritance tax liability
- Future changes in legislation or your personal financial circumstances could affect the amount payable or any further tax payable on that amount.

What is the Pegasus Wealth Preservation Plan?

- The Pegasus Wealth Preservation Plan is a regular premium whole life unit linked protection plan which provides a cash sum if you die
- It is designed to allow you to offset any inheritance tax liability due if you die.

What happens on death?

- We will pay the amount of life cover after we are notified of the death of the life assured (or second death if there are two lives assured).

Key Features

What other options are available on the plan?

- **Premium Protection** provides protection before the age of 65 for the payment of your premiums if through illness or injury, you are unable to work or do a number of work tasks for more than six months (Premium Protection is only available if you are not older than age 60 at the start of the plan)
- The following allow you to increase the cover on each anniversary:
 - **Indexation Options** allow you to increase the cover in line with inflation
 - **Estate Value Increase Option** allows you to increase the cover in line with any increase in the inheritance tax liability, due to an increase in the value of your estate

Your premium will increase each year to pay for the increase in cover
- **Guaranteed Insurability Options** allow you before the age of 55 to increase your cover if certain events happen, without providing any further evidence of health. The events include: any legislative increase in inheritance tax liability, moving home, getting married or entering a civil partnership, having children and career progression. Your premium will increase to meet the cost of increased cover
- For more information on these options please refer to **section 4 of the Technical Reference Guide and section 2 of the Standard Provisions**. You can ask us for copies of these
- The above options are subject to various rules and restrictions. For more information please see **“When will the plan not pay out?” (below) and section 3 of the Standard Provisions**. You can ask us for a copy of this.

When will the plan not pay out?

- Once you have started paying premiums there are no standard exclusions which will prevent your plan paying out on death. However, certain exclusions may apply for Premium Protection claims:
 - If the claim arises from:
 - criminal acts
 - drug abuse
 - flying/aviation
 - hazardous sports and pastimes
 - HIV/AIDS, or
 - self-inflicted injury
 - If the claim arises while living abroad

- We may apply specific exclusions when we accept your plan. These will be shown in your **Plan Schedule**
- We may not pay your claim if new information comes to light at the claims stage which was not provided by you when you applied (even if the new information is unconnected to the condition you are claiming for)
- We will not pay a premium protection claim until you have satisfied our premium protection definition for more than six months. You should continue to pay your premiums until we have reached a decision on your claim
- **Full details of what is covered, and any exclusions or limitations to the cover, are given in sections 2 and 3 of the Standard Provisions**. You can ask us for a copy of this.

Who can own the plan?

- The owner of the plan is the person who applies for the contract and normally pays the premiums
- To be an owner you must be:
 - aged 18 or over when you sign the Application Form and
 - “habitually” resident in the UK, the Channel Islands or the Isle of Man (e.g. having a UK main home address and UK bank account).

Can I own the plan jointly with someone else?

- Yes, you can take out the plan jointly with someone else, normally a spouse or a partner (subject to insurable interest requirements)
- If one of you dies the ownership of the plan will pass to the survivor.

Who can be a life assured?

- A life assured is a person whose life is covered by the plan
- To be a life assured you must, at the start of the plan, be:
 - aged 16 or over; and
 - younger than age 85
- If the life assured is not an owner there must be an insurable interest e.g. husband and wife or partners
- You can have either one life assured (single life plan) or two lives assured (last survivor plan).

Key Features

How much does the cover cost?

- The cost of the cover will depend on factors such as age, sex, smoking status, occupation, health status and the level and basis of cover you choose
- You can choose one of four bases of cover:
 - **Standard Basis** is designed to provide the same level of cover throughout life
 - **Career Basis** is designed to provide the same level of cover up to any age you choose between 30 and 85
 - **Maximum Cover Basis** is designed to provide the highest level of cover for the lowest initial premium up to the review date
 - **Specified Basis** provides a level of cover between Standard and Maximum
- We will guarantee to provide the level of cover you choose for the premium you pay until we review the plan after ten years. Depending on the result of our review you may have to:
 - increase the premium to maintain the same level of cover, or
 - reduce the level of cover to pay the same level of premium
- There will be more reviews at regular intervals (normally every five years) thereafter. At each review we will:
 - review the current status of the plan
 - use certain assumptions as to the future claims experience, growth, expenses and other factors to estimate whether the premium you are paying will maintain the level of cover until the next review date
 - tell you and your Intermediary of the outcome of the review
- If changes are needed to allow us to guarantee the benefits until the next review date, we will give you the option to increase the premium to maintain the same level of cover, or reduce the level of cover to pay the same level of premium. If no instructions are received, we will increase your premium to maintain the level of cover
- Please note we will not review the plan if you have stopped paying premiums i.e. it is paid up. Once the plan runs out of units, all cover will stop and the plan will end
- The cost of the cover and any other options you choose will be included in the premium shown in **Your Personalised Key Features**.

What happens to my premiums?

- Your premiums will buy units in Scottish Mutual funds. You can choose from a range of funds. If you do not choose specific funds, we will invest your premiums in the Growth Fund. We will deduct units to pay for the cost of the benefits and our charges
- **You can find details of all the funds and charges in sections 3 and 5 of the Technical Reference Guide and sections 2 and 4 of the Standard Provisions.** You can ask us for a copy of these
- **Your Personalised Key Features** will show the effect and, where appropriate, the current level of any charges we may apply.

What happens if I stop paying premiums?

- If there is a fund value you can:
 - keep the cover going until the fund value runs out through the deduction of normal charges, or
 - take the fund value and surrender the plan
- If there is no fund value, we will terminate your plan and cover will stop. There will be no cash in value
- If you want to surrender the plan, you should contact your Intermediary or us at our registered office address
- Details of the effect of stopping your premium are available on request.

Key Features

Further information

Cancellation rights

- When we accept your plan, we will send you a notice explaining your right to cancel your plan. You will then have 30 days in which you can cancel the plan by returning the notice, signed by you, to:

Scottish Mutual Assurance Limited
301 St Vincent Street
Glasgow G2 5HN

- If you do this we will refund any premiums you have paid. If you do not cancel, your plan will start and end as per our acceptance terms and we will collect premiums as agreed.

Premiums

- Regular monthly premiums are paid by direct debit. Yearly premiums may be paid by cheque or direct debit. You will pay premiums until you make a claim. If you are covered for Premium Protection, your premium will stop if we accept your claim, but will re-start when you are no longer suffering from a disability.

Change of job

- You do not need to tell us if you change your job after your plan is in force. If, when you make a Premium Protection claim, your job has changed from the one on your application form, you will need to tell us so that we can assess your claim.

Tax

- Higher rate tax payers may be liable to pay income tax if the surrender value, when a payment is made on death or surrender, is greater than the premiums paid
- The cash sum payable on death should be free of inheritance tax provided that the plan is written under a suitable trust
- Tax benefits depend on your individual circumstances and can be changed or withdrawn at any time by changes in legislation
- We pay taxes on the funds. The unit prices reflect the taxes we pay. You may not reclaim this tax.

Law

- The law of Scotland governs the relationship we have with you prior to the conclusion of the contract
- The plan is governed by the law of Scotland unless otherwise agreed. If you reside in the Channel Islands or The Isle of Man your plan will be governed by the law of England and be held under Seal unless otherwise agreed.

Making a claim

- To make a claim, you should contact our Claims Department at:

Scottish Mutual Assurance Limited
301 St Vincent Street
Glasgow G2 5HN
Phone: 0845 271 0007

- When you notify us of a claim, you will need to tell us your policy number and give us details about your claim.

Complaints

- If you have any complaints about this plan, or about any part of our service, please contact our Customer Relations Team at:

Scottish Mutual Assurance Limited
301 St Vincent Street
Glasgow, G2 5HN
Phone: 0141 275 8338

Next steps

- We always hope that we are able to sort out your issue. However, if we:

- haven't been able to satisfy your complaint, or
- haven't sent you a final response after eight weeks

you can write to the Financial Ombudsman. The Financial Ombudsman would usually only investigate the complaint once our internal complaints process had been completed. Contact details are:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Phone: 0845 080 1800
Fax: 0207 964 1001

- If you make a complaint to the Ombudsman, it will not affect your right to take legal action. We have made our complaints procedure simple to follow, so that you should not have to use a solicitor or seek professional help. If you choose to do this, you will be responsible for the costs
- You can ask us for details of any compensation arrangements.

Key Features

The Financial Services Compensation Scheme (FSCS)

- The plan is covered by the FSCS. 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. Most contracts for long term insurance such as this are covered for 100% of the first £2000 and 90% of the remainder of the claim, without any upper limit. You can get more details from us or directly from the Financial Services Compensation Scheme online at www.fscs.org.uk or by contacting them at Financial Services Compensation Scheme, 7th Floor, Lloyd Chambers, Portsoken Street, London, E1 8BN or by calling them on 0207 892 7300.

How to find out more

- This leaflet tells you about the Key Features of the Pegasus Wealth Preservation Plan. Further information is given in the **Technical Reference Guide** and in the terms and conditions in the **Standard Provisions**. You can ask us for copies of these
- **Your Personalised Key Features** shows the amount and type of cover you have chosen to include in your plan and the initial monthly or yearly premium
- Your plan may be provided through an Intermediary. If so, the Intermediary acts on your behalf and will give you details of the service they provide and how to contact them.

About Scottish Provident

- Scottish Provident was founded in 1837. It is the brand name for Scottish Mutual Assurance Limited's protection and healthcare products. Scottish Mutual Assurance Limited is a Resolution company. It provides life, pensions and healthcare products and is authorised and regulated by the Financial Services Authority (FSA). Scottish Mutual Assurance Limited's FSA Registration Number is 110457 and they have their registered office at 301 St Vincent Street, Glasgow G2 5HN, United Kingdom
- Scottish Mutual Assurance Limited is entered on the Financial Services Authority's register. You can check Scottish Mutual Assurance Limited's authorisation with the Financial Services Authority at www.fsa.gov.uk/register or by calling them on 0845 606 1234.

Notes

- The information contained in this Key Features document and our understanding of UK law and HM Revenue & Customs practice are those current at the time of publication. These details are not intended as a substitute for professional, legal or tax advice and you should seek professional advice on these matters. We cannot accept any responsibility for any changes in UK law. If we are affected by changes to UK law or other circumstances beyond our control, we may change the Standard Provisions as we think appropriate
- All documentation and communications about your plan will be in English. We are also able to provide documentation in alternative formats: Large Print (as recommended by RNIB), Braille, Audio Tape and PC Disk. If you would like to register to receive correspondence in an alternative format please contact us at our registered office address.