

# your skandia protect

## key features

### keyfacts<sup>®</sup>

This Key Features document gives you the main points about the Skandia Protect product you are buying. Your personal quotation is enclosed, which shows the amount of insurance, the term of your policy, your chosen options (if any) and your premium. Please read it carefully and keep it with your policy documents.

### its aims

To pay, depending on the type of insurance you choose:

- a guaranteed cash sum on death or, in many cases, diagnosis of terminal illness (life cover)
- a guaranteed cash sum on death or diagnosis of a specified critical illness, whichever happens first (combined critical illness and life cover)
- a guaranteed cash sum on survival for at least 14 days of a specified critical illness after the relevant diagnosis (critical illness cover only)
- a tax-free monthly benefit on becoming mentally impaired or unable to perform specified daily activities (disability care benefit).

To provide insurance for the period you choose (the term).

To allow you to change the amount of cover when your circumstances change.

### your commitment

You agree to pay a regular monthly or yearly premium for the term of insurance.

## risk factors

For details of circumstances when we will not pay a claim, please see [what circumstances will stop the insurance paying out?](#)

Skandia Protect provides insurance only. It does not have a cash value or a surrender value at any time.

If you stop paying regular premiums, your insurance will stop after 30 days from the first unpaid premium.

If you increase your cover using the increase options (including the automatic inflation option), your premiums will normally rise by a higher percentage than the increase in cover.

For policies with a rolling term, whenever the term 'rolls' into a new 10-year term (including after using any of the increase options), we will recalculate your whole premium based on:

- our current premium rates
- your age and cover amount
- guaranteed cover for the next 10 years
- any increased ('rated') premium you are paying.

If our premium rates have increased since the last time your term 'rolled', there could be a significant increase to your premium.

If you pay for the cover reinstatement option, we will not be able to tell you what benefits are provided until you apply for the 'after-claim cover'.

## what is skandia protect?

Skandia Protect is a life assurance policy that offers the following types and periods of insurance:

|                        | Fixed term | Rolling term | Whole life |
|------------------------|------------|--------------|------------|
| Life cover             | ✓          | ✓            | ✓*         |
| Critical illness cover | ✓          | ✓            | x          |

\* Terminal illness cover is not available on life cover with a whole life term.

You choose the insurance you need and for how long you want it.

Rolling term gives you insurance for 10-year periods. At the end of the 10 years, you can renew your insurance without giving us health information. You can do this as many times as you like.

Depending on the type of insurance you choose, there are some optional benefits available at an additional cost:

- total permanent disability benefit
- premium protection benefit
- cover reinstatement option.

You may be able to change your combination of insurance and optional benefits in the future. We will let you know if we need any further information to make the change and what your new premium will be.

If your circumstances change, you should check with your financial adviser to see if your insurance still meets your needs.

## what insurance is included?

### Life cover

If you include life cover, we will pay a cash sum on death during the term.

We can also pay the cash sum if a terminal illness is diagnosed. Where you have chosen a fixed policy term, your terminal illness cover will stop 18 months before the expiry date. Terminal illness cover is not available with life cover on a whole life basis.

In certain circumstances you can choose, before the age of 65, to convert some or all of the life cover into disability care benefit using the disability conversion option.

### Accidental death cover

If you apply for life cover or combined critical illness and life cover, we will include accidental death cover at no extra cost.

Accidental death cover starts when we receive the application (with a cheque for the first premium or signed direct debit instruction) and ends on the earliest of:

- the date we accept your application
- six weeks from the date you sign the application form
- the date we decline your application, and
- the date you tell us the application is not going ahead.

We will pay the lower of the sum assured, as requested on your application, and £500,000. If you would like full details of this benefit, please ask your financial adviser.

### Critical illness cover

We cover these illnesses and treatments:

- Alzheimer's disease *resulting in permanent symptoms*
- Angioplasty *for coronary artery disease of specified severity*
- Aorta graft surgery *for disease or injury*
- 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*
- 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 from a blood transfusion, a physical assault or at work*
- Kidney failure *requiring dialysis*
- Loss of independent existence *permanent and irreversible*
- Loss of hands or feet *permanent physical severance*
- Loss of speech *permanent and irreversible*

continued

- 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*
- Pre-senile dementia *resulting in permanent symptoms*
- Progressive supranuclear palsy *resulting in permanent symptoms*
- 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*

Please remember that the brief description of each critical illness above is only a guide to what is covered. For example, some types of cancer are not covered.

You can find the full definitions of all those critical illnesses covered in Part B of the Skandia Protect Policy Terms, [details of your skandia protect critical illness policy](#). If you would like the definitions explained in plain English, you can find this in [your guide to illnesses covered by skandia protect](#). You can ask your financial adviser for a copy of these.

Skandia Protect offers critical illness cover which automatically includes life cover. However, if including life cover causes tax or other problems, you can ask us to remove it from your cover when you apply. If you choose to remove the life cover, there will be no reduction in premium for this change in cover. When life cover is not included, the critical illness benefit will only be payable if you survive for 14 days after the relevant diagnosis, or after undergoing surgery.

### Low grade cancer benefits

We will pay a mastectomy benefit for ductal carcinoma in situ (DCIS) if you are diagnosed with DCIS and have a single or double mastectomy as a result.

We will pay a low grade prostate cancer benefit if you are diagnosed with prostate cancer that has a Gleason score of between 2 and 6 (inclusive) or has progressed to a TNM classification of T1N0M0.

For mastectomy benefit for DCIS and low grade prostate cancer benefit we will pay you the lower of 20% of your sum assured and £10,000. You can only claim for each benefit once for each insured person. Any payment will not affect your insurance or your premiums.

If you are subsequently diagnosed with invasive breast cancer, or the prostate cancer becomes more serious (and qualifies under the cancer definition) 30 days or more after making a claim for this benefit, you can claim under the critical illness benefit as well.

### Children's benefit

We will insure all your children from the later of the age of 30 days and the acceptance date, to their 18th birthday, at no extra cost, for all the listed illnesses and treatments. The maximum payment for a child is the lower of £25,000 and 50% of your critical illness cover. We will pay only one claim for each child. Any payment for children's benefit will not affect your insurance or your premiums.

### Serious accident benefit

We will pay serious accident benefit if you have an accident resulting in severe physical injury, and are immediately admitted to hospital and have to stay in hospital for at least 28 consecutive days. We will pay the lower of the amount of your critical illness cover and £50,000. Any payment for serious accident benefit will not affect your insurance or your premiums.

If you were diagnosed with a critical illness or total permanent disability due to the same severe physical injury within 58 days of being admitted to hospital, we would reduce the relevant benefit by the amount we had already paid under the serious accident benefit. Any critical illness or total permanent disability claim after this period (58 days) would not be affected by the serious accident benefit claim, and we would pay both benefits in full.

### Surgery benefit

If you need coronary artery by-pass graft, aorta graft surgery, or heart valve replacement or repair, we can arrange to pay some of your insurance to the hospital in advance under our surgery benefit. This gives you the option to pay for a private operation rather than waiting for an operation under the NHS. We would advance the lower of the price you agree with the hospital and the amount of your critical illness cover. After the surgery we would, when we accepted a valid claim, pay you any insurance remaining. If you had critical illness cover without life cover, you would need to survive for 14 days after the surgery before we would pay the remaining insurance.

You can find the full details of all these benefits in Part C of the Skandia Protect Policy Terms, [details of your skandia protect critical illness policy](#).

## what options are available at extra cost?

### Total permanent disability benefit

This option is available with life cover and critical illness cover with a fixed or rolling term, but not with life cover on a whole life basis.

If you include this, we will pay the guaranteed cash sum if you become totally, permanently and irreversibly disabled. To claim, you must be unable to perform:

- your 'insured occupation' as shown on your policy schedule, or
- three out of the eight Activities of Daily Work listed here.

#### Activities of Daily Work

- bending
- climbing
- communicating
- general health
- lifting
- manual dexterity
- reading
- walking

Your policy schedule will show which definition applies.

In either case, if you are over age 65 at the date of claim, we will pay the benefit if you cannot perform three or more of the Activities of Daily Living listed below.

#### Activities of Daily Living

- dressing
- feeding yourself
- getting in and out of a chair or bed
- going to the toilet
- moving from room to room
- washing

Following a successful claim, the insurance with which this benefit was included will end.

Full descriptions of the Activities of Daily Work and the Activities of Daily Living can be found in the Policy Terms, available from your financial adviser.

### Cover reinstatement option

This option is available for:

- life cover with total permanent disability benefit, and
- critical illness cover.

When we pay a claim for critical illness or total permanent disability, that insurance policy will end.

When you apply for Skandia Protect, you can choose to pay an extra premium to include the cover reinstatement option. Then, following a claim, you can apply for 'after-claim cover' up to a maximum of £100,000. You can do this without giving us any health details, unless you are claiming for cancer under critical illness cover.

The benefits included in the 'after-claim cover' will be specified at the time you apply for the policy. However, we can tell you our current terms, on request, at any time. The list of illnesses may be more restrictive than in the original policy.

You can use this option if you are below age 65. If your original policy had a fixed term, it must have had at least five years still to run when you made your claim.

### Premium protection benefit

If you include this benefit, we will pay your premiums if you cannot work because of an illness or disability.

To claim, you must be unable to perform:

- your 'insured occupation' as shown on your policy schedule and not be in any other gainful occupation, or
- three out of eight Activities of Daily Work and not be in any gainful occupation.

Your policy schedule will show you which definition applies.

We will pay your premiums after you have been unable to work for six months. We will continue to pay them until the earliest of:

- your 65th birthday
- your recovery
- your return to any form of gainful occupation
- your death
- payment of the full sum assured
- the end of the policy term.

You can find the full details of all these options in Part D of the Skandia Protect Policy Terms, [details of your skandia protect critical illness policy](#).

## how flexible is Skandia Protect?

Your plan is designed to allow you to increase your cover within certain limits as your needs change, without giving us more details about your health.

### Inflation option

Every year, you can increase your cover by up to 10%. You can choose to have this happen automatically, so you only need to let us know if you do not want the increase in any year.

### Guaranteed increase options

Provided we accepted your plan at standard rates, you can increase your cover when:

- you marry or enter into a Civil Partnership\*
- you have or adopt a child
- you increase your mortgage
- your salary increases
- you need to replace life cover lost from an occupational pension scheme when you retire
- your liability to inheritance tax increases.

\* As defined by the Civil Partnership Act 2004.

If your insurance covers your business, you can increase your cover when:

- the value of a key person increases
- you increase a business loan
- the value of your share of the business rises.

You can find full details of these increase options in Parts E and F of the Skandia Protect Policy Terms, [details of your skandia protect critical illness policy](#).

## what circumstances will stop the insurance paying out?

We will not pay a claim for critical illness cover or life cover, and all cover under the plan may be cancelled if:

- you do not give us all the information 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 properly
- you do not tell us about any changes to the following that happen upon completion of the application form to when your plan starts:
  - your personal health
  - your family history
  - your occupation
  - taking part in any hazardous leisure activities
  - where you travel to
  - where you live
  - your consumption of alcohol or use of drugs
  - if you start smoking.

We will not pay a claim for critical illness cover, serious accident benefit, total permanent disability benefit or premium protection benefit if the claim is caused directly or indirectly by either of the following:

- drug or alcohol abuse
- unreasonable failure to follow medical advice.

We will not pay a claim for serious accident benefit if an injury resulted from attempted suicide or deliberate self-harm.

Terminal illness cover stops 18 months before the end of a fixed term.

We will not pay a critical illness claim if your illness does not meet the detailed critical illness definition.

We will also not pay a total permanent disability benefit or premium protection benefit claim:

- if the disability is a result of, or related to HIV/AIDS
- in some cases, if you are living abroad.

In addition, we will not pay a premium protection benefit claim if the illness or disability resulted from self-inflicted injury.

If your policy schedule shows your 'insured occupation', we will assess a claim for total permanent disability benefit or premium protection benefit based on your ability to carry out your insured occupation. If you change your occupation, you do not have to tell us. However, if you do not, you may not be covered for the occupation you are following at the time of the claim. If you have not been in paid work for six months prior to a claim, we will assess your claim based on your ability to perform the Activities of Daily Work.

For critical illness without life cover, we will not pay a critical illness claim until you have survived for at least 14 days after the relevant diagnosis or the specified surgery has been performed. If you die within the 14-day period your policy will end.

We will not pay some or all of the life cover on death as a result of suicide in the first year of your insurance. This also applies to the first year following any increase in insurance.

We will stop paying the monthly disability care benefits if you recover and no longer fail the mental impairment assessment or three Activities of Daily Living.

We will not pay a claim if the cause is specifically excluded by any special terms we apply to your insurance when we accept your application. If applicable, we will show these in your policy schedule.

We will not pay a child's critical illness claim if the child's symptoms first arose before the later of the age of 30 days and the start of your insurance.

Full details of the exclusions and limitations are contained in the Policy Terms, which are available on request.

## can I insure someone else?

Yes, you can apply for insurance for yourself or joint cover for you and another person. Alternatively, you can apply for insurance for one or two people not including yourself, providing you have an insurable interest. This means that you would be directly financially affected by the death of the person covered. Please ask your financial adviser if you need more information.

If you have insurance on joint lives payable on the first death/claim, and we pay a claim for one person, the insurance on both lives will end. You can take out insurance in a new policy on the other life without giving us medical details, provided he or she is below our maximum age limit and you still have insurable interest. This option to continue cover is included free of charge. You can find full details on the continuing cover option in the Skandia Protect Policy Terms.

### Key employee protection

A company can insure a key employee by applying for a 'life of another' Skandia Protect. If accepted, this type of policy will pay a cash sum to the company if the key employee suffers a critical illness, becomes totally and permanently disabled or dies.

### Business assurance

Partners or shareholders in a business can each apply for Skandia Protect to pay a cash sum to the other(s) if one becomes critically ill, totally and permanently disabled or dies.

## what are the guarantees?

We guarantee not to increase your premium unless you change your insurance or 'roll' the term. Then we will recalculate your premium and tell you what it is. The premium will be guaranteed for the new term.

## further information

### How can I pay premiums?

You can pay monthly premiums by direct debit. You can pay yearly premiums by cheque or direct debit.

### Can I cancel my application?

After we have accepted your application, you will receive a notice of your right to cancel. Once you have received all appropriate documentation and the notice, you will then have 30 days to change your mind and cancel your application. You can do this either by completing and returning the notice referred to above or by letter to the Customer Service Centre at:

Skandia Head Office  
PO Box 37  
Skandia House  
Portland Terrace  
Southampton  
SO14 7AY.

We will refund any money you have paid.

### How can I cancel my insurance in the future?

You can cancel Skandia Protect at any time by sending written notification and your policy documents to Skandia's Head Office. We will not refund any premiums. You should contact your financial adviser first to discuss the options available to you.

### Where can I find full details of Skandia Protect?

Please read this document with the enclosed quotation. You can find full details in the Policy Terms. Please ask your financial adviser if you would like a copy of these.

### Tax

Benefit payments are normally free from UK income tax and capital gains tax. On death, these payments may be subject to inheritance tax. You may be able to reduce the effects of inheritance tax by using an appropriate trust. Ask your financial adviser for details if you are interested in using a trust.

The Government may change the tax position described.

You may be subject to additional taxes or costs which are not accounted for within the contract. Please refer to your financial adviser for further details.

### Claims

Further details on how we will consider your claim and the type of medical evidence that we will need, are contained in [your guide to illnesses covered by skandia protect](#), [your guide to making a claim](#) and the Skandia Protect Policy Terms, available on request from your financial adviser.

To make a claim, please contact the Skandia Claims Department  
PO Box 37  
Skandia House  
Portland Terrace  
Southampton SO14 7AY

Telephone: 023 8072 6996  
Fax: 023 8048 1261

### Law

The contract you are applying for is subject to the laws of England and Wales.

All our literature and the future communications we send you will be in English.

### Policyholder protection

The Financial Services Compensation Scheme (FSCS) acts as a safety net for customers of financial services providers. If Skandia cannot meet its liabilities, the FSCS may arrange to transfer your policy to another insurer, provide a new policy or, if these actions are not possible, provide compensation. For long-term insurance (such as pension plans and life assurance) the level of compensation you can receive from the scheme is as follows:

- the first £2,000 of a claim is protected in full,
- above this amount, the scheme covers payment to 90% of the value of a policy in liquidation.

Full details are available on request.

### To whom should complaints be directed?

If you wish to complain about any aspect of the service you receive, please contact the Compliance Officer at:

Skandia Head Office  
PO Box 37  
Skandia House  
Portland Terrace  
Southampton  
SO14 7AY.

Telephone: 023 8033 4411  
Fax: 023 8022 0464

If your complaint is not dealt with to your satisfaction, you may refer the matter to:

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR.

Making a complaint will not affect your right to take legal proceedings.

### About Skandia

Skandia UK is one division of the Skandia Group, itself owned by Old Mutual plc. Old Mutual is an international savings and wealth management company based in the UK. Originating in South Africa in 1845, the group has a balanced portfolio of businesses offering asset management, life assurance, banking and general insurance services in over 40 countries, with a focus on South Africa, Europe and the United States. Old Mutual is the 38th largest company in the FTSE 100™ and is listed on the London, Johannesburg and Stockholm stock exchanges amongst others.

Being a part of Old Mutual makes Skandia a key division of the seventh largest life assurer in Europe,\* with a strong financial base. The combined group has funds under management of £263 billion\*\* and nearly 53,000 employees.

\* As at 31 October 2007.  
Source: Old Mutual.

\*\* As at 30 June 2007.  
Source: Old Mutual.

Skandia's products are available only through financial advisers.

Skandia Life Assurance Company Limited is a provider of long-term life assurance.

The information in these Key Features is a guide to Skandia Protect and is based on our understanding of current law and HM Revenue & Customs practice as at November 2007.

Skandia Protect complies with the Association of British Insurers' Statement of Best Practice for Critical Illness Cover.

If you would like more information on critical illness insurance, the Association of British Insurers has produced a booklet entitled 'A Guide to Critical Illness'. We can send you a copy on request. Alternatively, you can obtain a copy by writing to:

The Association of British Insurers  
51 Gresham Street  
London  
EC2V 7HQ.

**Skandia**

Head Office  
PO Box 37  
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Portland Terrace  
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**T** 023 8033 4411

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[www.skandia.co.uk](http://www.skandia.co.uk)

Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Skandia Life Assurance Company Limited (an incorporated company limited by shares) Registered number: 1363932 England  
Registered Office: Skandia House, Portland Terrace, Southampton, SO14 7EJ, United Kingdom. Authorised and regulated by the Financial Services Authority  
FSA Register number 110462

**Out of our concern for the environment every single item of Skandia literature is printed on recycled paper. We only use two types of paper: '9 Lives 80', which is made up of 80% recovered fibre and 20% fibre sourced from sustainable forests or '9 Lives Offset', which is manufactured from 100% recycled fibre and is totally chlorine-free.**

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